The COMMERCIAL and FINANCIAL CHRONICLE

ESTABLISHED 1839 Reg. U. S. Pat. Office

Volume 192 Number 5974 New York 7, N. Y., Thursday, August 4, 1960 Price 50 Cents a Copy

Editorial AS WE SEE IT

Both political parties have now held their conventions and have left no doubt in anyone's mind that both, or at least influential members of both, are quite obsessed with the notion that somehow we must accelerate growth in "the economy." The Democrats, to achieve that policy, bluntly state that they would start promptly to tinker with credit and the banking system. Their opponents are, fortunately, less given to this sort of nonsense—if one may take their platform at its face value—and more inclined to lean upon policies designed to create a favorable atmosphere in which business operates in the thought, so we may hope, that the matter of continued growth in "the economy" will then come naturally and soundly. However, it must be said that not all of the protestations and promises of the Republican party seem to be quite consistent with the previously mentioned general political philosophy. In any event, both parties are now members of the faster growth school.

It seems to us, however, that neither of them has paused to give serious consideration to what they are talking about or to what is involved in what they now set themselves to do. Most of the leaders in both of them doubtless would be astounded to have someone ask them just what "the economy" is, and what constitutes growth in it. Yet, it seems plain enough to us that such questions need to be asked and answered. If the politicians are not interested in the answers, then the voter would be well advised to take the matter under careful consideration. As currently used, the term "the economy" appears to connote the whole complex of activities and assets by which the people of the country supply their needs. It is all but universal to regard what is known as Gross National Product as an acceptable measure of "the economy," and to accept increase in this figure as a measure of growth of "the economy." There are some who would relate this figure to population growth, to get a measure of the growth of "the economy," but these seem to be in the minority. But is this concept of "the economy" and its growth adequate and ac- *(Continued on page 20)*

Novices Have Yet to Learn There's No Easy Money in the Market

By John Magee, Stock Advisory and Commodity Management Services, Springfield, Mass.

Investors who are novices, and those who should know better but don't, are subjected to a blunt criticism of their investment motives, methods and principles by an observer and counselor of considerable experience. Some of the topics discussed revolve around: (1) the hard work it takes to learn what is important to know; (2) the folly of pursuit of lucky-breaks, and of going "all-out"; and (3) the preferability of dealing with probabilities and of seeking a passing mark instead of "beating the market." Mr. Magee explains his own method and opines that the serious investor is interested in the "principles" leading to the right direction over the long pull.

The rally in the market on Thursday, July 28, and on the following day, apparently sparked by the reduction in margin requirements, was quite typical of these unannounced "surprise" changes in margins. Some day we may have a policy by which it is possible to state in advance the conditions under which margin changes would be made; so that the disturbance to an "orderly market" would not be so pronounced. Actually, the market has been looking dangerously weak for a long time for most stocks; and analysis of the thin, erratic rallies of Thursday and Friday point much more to a rushing in of tyros looking for Easy Money than to any basic change in the trends of important groups of stocks such as the Oils, Textiles, big Motors, Rails, etc. I have felt this was a weak market generally; and the rally did not change my view. It had all the look of a rush of small-time speculators trying to make Two Million Dollars the easy way. When a more substantial type of buying appears we will be ready and glad to change our mind.

John Magee

When Bob Edwards, my teacher, partner, and intimate friend during the years when we were probing into the mysteries of the market together and writing our book, "Technical Analysis of Stock Trends," told me that "there is no Easy Money in Wall Street" I was inclined to pass this off as one of those pious platitudes that people are expected to say in the interests of conformity to the verbal mores of our culture. Actually, I should have known better. Edwards was not a man to be sold short, and his experience with the market was long and broad. He knew just exactly whereof he spoke.

Leaving out "dishonest" money, that is to say, loot that might be extracted from widows and orphans or from the general public by out-and-out swindling the speculative market is by no means the sure road to fame and fortune for the man who prefers loafing to working. Since the widows and orphans, backed up by the SEC and the rules of the big exchanges, are pretty well able to hit back these days, the question of Easy Money pertains mostly to buying something Real Good when it is Real Cheap, and then cashing in at a much higher level.

One of the things that makes it so hard to realize that for most people this just ain't possible is the demonstrable fact that every now and then somebody actually does buy "XYZ" at $16, and then sits on his hands and watches it advance to $250. But one of the many, many "jokers" in this is that it is not so easy for the average man to sit on his hands complacently while his stock is making money for him. With the wounds of past unhappy ventures still smarting, he is all too likely to sell out his stock that he bought for $16 when it has reached $25, feeling that he has done a good job with his capital and that now he will go looking for another good stock *(Continued on page 20)*

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 28.

The Security I Like Best . . .

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

H. RONALD BROWN

Research Dept., Stillman, Maynard & Co., New York City

Members New York Stock Exchange

Cadre Industries Corp.

Cadre Industries, a small company not well known to investors, operates principally in the electronics and boat trailer fields. In existence only 10 years, it has expanded at an extremely rapid rate because of (1) the growth of these industries, and (2) a young, aggressive, and very capable management group with a large personal stake in the business. These factors are counted upon to keep the company growing well into the future. Now selling in the Over-the-Counter Market around 110, the stock offers a very attractive situation for long-term capital gains.

H. Ronald Brown

Cadre was started in 1950 and, through the energetic work of its founders, has experienced extremely rapid growth. Sales totaled $171,387 in fiscal 1952; $2,373,647 in 1956; and an estimated $11½ million for the year ended June 30, 1960. Its most important divisions and subsidiaries include:

Cadre Industries — Eastern Division — Accounting for over half of total sales, this division specializes in making cables and wiring harnesses used mainly in business machines and computers, radar systems, PBX communications equipment, missile guidance equipment, etc. The cable and harness business accounts for about one-half of the company's electronics output. Other electronics products include computer panels, accounting machine relay gates, test equipment, and numerous small electronics components of a sub-assembly nature. Customers include IBM, RCA, GE, Lockheed, Stromberg-Carlson, Sperry Rand, Western Electric, Stanford Research, and Curtiss-Wright.

Cadre's management feels confident that it will be able to continue expansion of this subcontracting work because of the expected growth of all types of electronic products. As a subcontractor it can turn out better quality items at a lower cost. Sales of this division advanced about 60% in the year ended June 30, 1960, with a similar increase in profits.

Besides the subcontracting business, Cadre expects growth from its own proprietary products. It now has 14 different new electronics products in various stages of development which it expects to place on the market in the next several years. Production of a new transceiver for marine, industrial, and commercial use will begin Sept. 1, and 7 or 8 new electronics products are expected to be ready by December.

Cadre Industries — Western Division — Producing essentially the same products and services as the Eastern Division, this unit accounts for about 10% of sales. The division has recently occupied a new plant at Los Gatos, California —heavy start-up costs have held down profits in this plant, but the outlook for the present fiscal year is very good.

Mastercraft Trailers, Inc. — Acquired early in 1959, this subsidiary produces boat carrying trailers, and has about 15% of the national market — it contributes about 20% of total sales. Since Cadre's acquisition of Mastercraft a number of new products have been added, principally utility trailers for automotive use, with special emphasis upon the smaller cars. Mastercraft has 8 new products that will be introduced in calendar 1960 and 8 more in the proposal stage.

Bad weather and non-recurring expenses probably resulted in a loss for Mastercraft last year, but a number of developments are expected to result in an exceptional year in fiscal 1961.

Management expects continued growth in this field because of (1) the much greater popularity of boating in recent years (boat trailer sales increased from 8,000 units in 1949 to 186,000 units last year), (2) an expected increase in leisure time, (3) a continuing development of new products, and (4) a more efficient marketing program.

Montrose Hanger Corp. — Acquired in 1958, this company produces high quality wooden hangers for both men's and women's garments, and makes milk cases and crates. Montrose lost money in fiscal 1959, but probably made a profit last year. This company was purchased at a very low price and, after it is on a more profitable basis, management expects to sell it at a nice profit. A very large sales increase with correspondingly higher profits is expected in the current year.

Probably the most impressive part of the entire Cadre organization is its excellent management. The top management group is very young, and is headed by 42-year old President Wayne Cawley, one of the company's founders. Management also has a large personal stake in the business, owning almost 50% of the outstanding common stock.

Cadre's employes own 20% of the outstanding common stock and the majority of employes are stockholders. No employes are represented by unions, including those in highly unionized California.

The company spent about $250,000 for research and development in the last fiscal year. Basic research is sent out to independent engineering and research agencies, and the company maintains its own continuing program of new product development. It is management's policy to concentrate the introduction of new products in recession years in order to take up the slack of lower sales of existing products, and thereby maintain a steady rate of growth.

Common stock financing last December should take care of capital requirements for the next couple of years. Management wants to increase the number of shares in the hands of the public, and intends to eventually apply for listing on the New York Stock Exchange. In order to qualify for listing, a large increase in the presently outstanding 157,434 shares will be needed, so stock splits and dividends are quite likely in the future.

Sales in the year ended June 30, 1960 were probably close to $11½ million, with earnings around $3.50-$4.00 a share—the comparable figures for the prior year were $7.7 million and $3.16 a share. Management hopes that sales will reach $14 million in the current year with earnings near $6.00 a share. The present goal for sales volume is $50 million in 1965. Dividends are being paid at a 15¢ quarterly rate and the equivalent of a 50¢ year-end extra was paid last October. Management intends to keep the cash payout low because funds are needed for expansion. The stock is primarily recommended for individuals because of the small capitalization, and I wouuld consider it somewhat speculative because of the relatively small size of the company.

Operating Record

Year Ended June 30	Net Sales (000)	Net Income	Pretax Profit Margin	*Earned per share
1951	$ 14	$ d 965	—	—
1952	171	18,355	16.5%	$0.22
1953	389	26,598	13.7	0.31
1954	891	104,928	26.4	1.31
1955	1,540	78,560	10.0	1.04
1956	2,374	71,561	6.4	0.75
1957	5,058	415,276	17.5	3.36
1958	6,497	562,738	17.9	4.18
1959	7,748	440,571	12.0	3.16
1960 Est.	11,500	550-600,000		3.50-4.00

* Adjusted for all stock splits and stock dividends.
d deficit.

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

ROBERT N. TULLER

Partner, Tuller & Zucker, N. Y. City

Housing and Revenue Bonds

In selecting a favorite security in the tax-exempt field, I would choose to select two groupings of bonds rather than one specific name. The first group would be the very high grade New Housing Authority bonds issued by many cities under the U.S. Housing Act. The second grouping would include higher yielding bonds, usually revenue bonds, which some special condition at time of issuance such as size of issue, threat of litigation, market condition, contributed to a high coupon and high yield. In the past some examples would be Chelan Public Utility District, 5's, Birmingham Industrial Water Revenue 4.90's, Tacoma Light and Power 4½'s, Puerto Rico Water Resources 4¾'s and Tucson Water Revenue 4½'s. Regardless of market changes, most of these issues have never sold below their issue price. The two current issues deserving this category are Dade County, Florida Port Authority 4.70's and Florida State Develop-

Robt. N. Tuller

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This Week's Forum Participants and Their Selections

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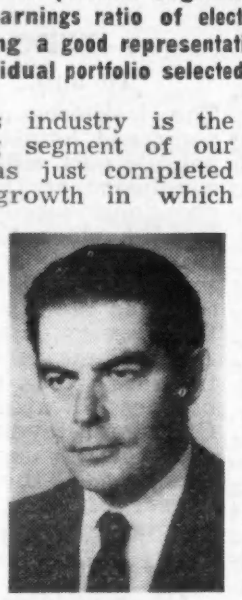
A Cautious Approach To Electronics Industry

By John Ferguson, Jr.,* *Research Department, Clark, Dodge & Co., New York City*

Not all segments or companies in electronics, according to Wall Street analyst, are apt to share proportionately the assured growth of the industry. In delivering his candid appraisal of what is likely to succeed, Mr. Ferguson identifies by name many firms and their products in his analysis of developments in electronics and of the suppliers of components. Cognizance is taken of the market action and price earnings ratio of electronic issues by Mr. Ferguson in recommending a good representation of them in every institutional and individual portfolio selected, however, on a cautious basis.

The electronics industry is the fastest growing segment of our economy. It has just completed a decade of growth in which factory sales of electronic products increased 3½ times from \$2.6 billion in 1950 to \$9.2 billion last year. This is a feat probably unparalleled in modern American history. Electronics is the fifth largest industry, employing about three-quarters of a million people, of whom 100,000 are engineers or one-fifth of the nation's total. It seems destined to become the number one industry of the nation. This year sales are expected to reach \$10.4 billion and the Electronic Industries Association is projecting a level of \$20 billion by 1970. Based upon recent developments in political, business and scientific areas, this estimate appears to be conservative and several industry leaders are forecasting a doubling in perhaps seven years.



John Ferguson, Jr.

But while the growth of electronics seems assured, not all segments or companies will share proportionately in it. The electronics industry is a composite of many industries all lumped together in a heterogeneous bundle. It consists of some 4,000 companies ranging in size from thousands of dollars in sales to hundreds of millions, and from basement or garage operations turning out nickel components to multi-plant organizations producing multi-million dollar electronic systems. Industry statistics are not readily available partly because of the difficulty in classifying the multitude of end products into neat little categories. But a broad breakdown can be made into the marketing areas of military, consumer and industrial products, and the replacement parts therefore.

Military Electronics has been the largest single sales outlet for the industry since the early 1950's when military procurement was stepped up during the Korean War. This area now accounts for half of industry's sales, having increased tenfold in 10 years to this year's estimated \$5 billion. With only moderate increases in defense budgets over the past five years, sales of electronic equipment to the military have about doubled. This is because a larger proportion of each defense dollar is being channeled into missiles (which require about twice as much electronic gear as aircraft), and into early warning systems and high speed communication networks. With the collapse of the summit conference, it now appears that defense spending will be increased and will continue at a high level for an indefinite period of time. This will be true, incidentally, regardless of the outcome of the November elections. Continued transition to missiles plus larger expenditures for space research and exploration leads to the belief that military electronics will reach the E. I. A. projection of \$8.6 billion by 1970. Some industry spokesmen have it over \$10 billion by that time.

While military electronics has dominated the industry since 1952, its significance transcends even the dollar amounts involved, as the solving of military problems has created a fountainhead of ideas for the entire industry. The bulk of the 4,000 companies in existence today were born, nurtured and weaned on military electronics. And *every* electronics company and many non-electronic companies participate in military electronics in varying degrees. Those with a small participation try to increase it as a means of gaining experience and know-how (through government-financed research) which might lead to production contracts or have application in commercial markets. Those engaged primarily in military electronics try to diversify into other markets as a means of lessening their dependence on one customer, or worse—one military program.

Recalls What Happened to Aircraft

The market for military electronics will undoubtedly continue to be a large and growing one, but it is well to remember that it is subject to the same hazards that affect aircraft manufacturing, i. e., changes in defense concepts, periodic economy moves, renegotiation and the vagaries of military procurement in general. A classic example of this occurred in the summer of 1957 when a complete reappraisal of the defense effort was made, resulting in a ceiling on spending and the cancellation or stretch-out of

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Published Twice Weekly

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Patent Office

WILLIAM B. DANA COMPANY, Publishers

25 Park Place, New York 7, N. Y.

REctor 2-9570 to 9576

CLAUDE D. SEIBERT, Publisher

WILLIAM DANA SEIBERT, President

GEORGE J. MORRISSEY, Editor

Thursday, August 4, 1960

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.)

Other Office: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S Possessions, Territories and Members of Pan-American Union, \$65.00 per year; in Dominion of Canada, \$68.00 per year; Other Countries, \$72.00 per year.

Other Publications

Bank and Quotation Record — Monthly, \$45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
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Commodity Price Index

Business concerns are planning to step up their spending for new plant and equipment in the second half of 1960, but at a slower rate than in the first half, according to the *Cleveland Trust Co.'s Business Bulletin*. This is indicated by the Government's latest quarterly survey, released in June and based on plans reported by business concerns in late April and May. Outlays for the year 1960 are now projected at $36,850 million, or a little under the $37,016 million estimated last March. The 1959 total was $32,540 million.

Seasonally-adjusted figures, at the annual rate, are given below (in billons of dollars).

1959	IV Qu.	$33.6
1960	I Qu.	35.2
	II Qu.	37.0 estimated
	III Qu.	37.5 estimated
	IV Qu.	(37.8)*
Year 1960		36.9 estimated

*Derived figures.

In the past, these capital expenditures have increased in good times and declined in poor times —both in amount and in relation to the total dollar volume of business as measured by gross national product.

The *Bulletin* continues its discussion as follows:

"In 1929 capital outlays by business concerns were 10.5% of gross national product. By 1933 the ratio was down to 4.6%, this decline being a factor in the depression of the early 1930s. Following a recovery, the ratio again slumped in the short but sharp depression of 1937-38. The World War II drop is not significant, because civilian projects were restricted and most of the expansion of plant and equipment for military production was financed by the Government's Defense Plant Corporation.

"The postwar period has witnessed a marked industrial expansion along with replacement of obsolete or inefficient productive facilities. Small declines in the ratio occurred in the 1949 and 1954 business recessions, and a larger one in that of 1958. The current ratio is at a fairly high level, but not as high as the postwar average.

"Analysis of postwar trends in capital expenditures in physical terms—that is, in constant dollars with price inflation eliminated—reveals several points of interest:

"(1) There have been four upswings in business capital outlays since World War II, with declines in between. The first was in 1946-48. The second came in 1950, with some further advance in 1951-53. The third was the 1955-57 period, chiefly in 1955 as to physical volume. Number four is the current rise which began with the fourth quarter of 1958. This one does not compare very well with 1946-48, which was a catching-up boom for civilian output; nor with 1950-53, which included the Korean War. It is more nearly comparable with 1955-57.

"(2) In general the four upswings correspond with those of total business activity, though turning-points in the former tend to lag behind those of the latter.

"(3) Thus far the rise this time has been at a somewhat slower pace than that of 1955-57. The rate of increase for equipment is about the same as before, but for non-residential construction it is noticeably lower. In fact after adjustment for price changes, construction has advanced but little since the third quarter of 1958, while spending for equipment has moved up substantially. In other words, the current emphasis is on new machinery rather than buildings.

"(4) In physical terms, expenditures during the present upswing have been less than for the comparable period in point of time, in 1955-57. This is true of both equipment and construction.

"(5) Based on the Government's latest estimates the physical volume of business capital outlays for the last three quarters of 1960 is likely to rise at a moderately greater rate than for the comparable quarters in 1955-57."

Bank Clearings for Week Ended July 30 Were 10% Above Same Week Last Year

Bank clearings this week will show an increase compared with a year ago. Preliminary figures complied by the *Chronicle*, based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, July 30, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 10.0% above those of the corresponding week last year. Our preliminary totals stand at $26,191,423,833 against $23,810,656,539 for the same week in 1959. Our comparative summary for some of the principal cities follows:

Week ended July 30—	1960 (000's omitted)	1959 (000's omitted)	%
New York	$13,910,502	$12,279,137	+13.3
Chicago	1,212,525	1,273,133	— 4.8
Philadelphia	1,013,000	982,000	+ 3.2
Boston	772,151	699,366	+10.4

Increased Order Activity Noted for Steel Industry

The first faint traces of activity leading to an upturn in steel operations are beginning to show. At the same time, there are indications that the fall upturn may not be as strong as expected earlier, according to *The Iron Age*, the national metalworking weekly.

However, everything now points to the hoped for turnaround in operations.

Incoming orders are coming out of the slump they entered two months ago, the metalworking magazine notes. For the first time since 1958 incoming business just about matches steel output. And within the next few weeks the tonnages should be bigger and the orders more numerous.

Orders for August delivery of steel have shown little or no improvement over July. Before this, backlogs allowed steel mills to operate above the incoming rate, *The Iron Age* points out. Now backlogs are virtually nonexistent.

This means mill operating rates will be quite volatile if incoming business continues to fluctuate from week to week. In fact, it is very possible that the steel operating rate will show a drop at the same time orders are rising.

However, the magazine says, steelmakers are trying to minimize this possibility. For the past few weeks mills have been pressuring customers to place orders now. Their argument: Unless mills get enough orders to operate economically in August, they will be forced to shut down. They are having a hard time keeping some equipment running until they can bunch a number of small orders. If that happens, service and prompt delivery would be out the window.

This pressure has resulted in more orders and better tonnages. But some of this is steel that normally would have been ordered later this month, or even in September and October. In effect, mills are borrowing from future business. Consequently, there is a growing belief that the October peak will be lower than had been expected.

Yet, it appears that the bottom in steel has been reached, *The Iron Age* says. While there will not be a sharp increase in steel output until after Labor Day, seasonal factors usually begin working in the first week in September. They will this year.

Some industry sources say steel users are liquidating inventories at the rate of about 1.5 million tons a month. At this rate most of the six million tons added to stocks in the first half will be washed out by the end of August. Inventories will be down to the level reached at the start of 1959, and only a little above the level at the start of this year.

Even so, the magazine notes, just about all estimates of steel production for this year have been revised sharply downward in recent weeks. They now run from 100 to 107 million tons. At the beginning of the year a record 125 to 130 million tons was predicted.

Fourth quarter output is expected to average no more than 70% of industry capacity. September is expected to be below this level; October will top it. November should show a leveling off. December operations are a question mark. But the auto industry will supply the answer—later.

Competitive Pressures Weaken Steel Prices

Competitive pressures on metalworking prices, including steel, have been just as severe in recent months as they were during the '58 recession, *Steel*, the metalworking weekly, said on Aug. 1.

Blamed most frequently for generating the price pressures are

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OBSERVATIONS...

BY A. WILFRED MAY

TOO MANY INFLATION-STAKED STOCKHOLDERS

CHICAGO—As stated in our last week's GOP Convention despatch, the five-year cost of carrying out the Democratic Platform's "Rights of Man" proposals has been expertly calculated at some $80 billion— a *gross* figure of Democrat expense which is reducible by the "odd-lot" billions entailed in Nixonese measures (as the massive pro-Benson farm program, anti-depression antidotes, etc.). Whatever the exact excess of the "Rights of Man" cost, it, with accompanying inflation, is certain to be substantial.

As good Americans the citizenry is concerned with "fiscal responsibility" (that newly sanctified term). This should be particularly true of the community's investment population because of its relatively greater knowledgeability of these matters. Ironically, however, use of this anti-extravagance theme as a Campaign argument may well run into a direct kick-back from Wall Street and the investing community. For the nation-wide run of 12½ million holders of common stocks, including particularly the army of investors in the mutual funds, are convinced that they have a vested interest in "Inflation," as greased by deficit spending. (The currently released elaborate public opinion survey, "The Investors of Tomorrow," conducted by the New York Stock Exchange shows inflation is deemed the second most important reason for stock-buying; and that three times as many people believe that "common stock is good protection against inflation," as those who say nay. The "snow job" that has been done on prospectus fund buyers with the "inflation" scare, or hope, argument is obvious.)

We clearly recall that in the 1932 Campaign the Tory capitalists, who, findng their own assets were "under water," ran out on Herbert Hoover and actually plugged for F. D. R. as the means to bail themselves out (the embarrassed recollection of which no doubt compounded their Roosevelt-hatemanship after the Recovery).

* * *

HOW THE TREASURY CAN "MAKE A MILLION — IN ITS SPARE TIME"

Incidentally, we have the answer to those sour-pusses who are worrying how the Democratic Platform's promulgated "Right of Man" to recreation can be afforded by that nasty old Treasury.

Our simple answer: Simply by having the recreation take the form of reading (perhaps in the hammock) of those best selling tomes* on how to make a million, or two, in one's spare time. The cost of the government's largesse with free copy distribution will (?) be more than recouped by the readers' prompt contribution of income taxes on their resulting huge profits.

* * *

—ZERO HOUR—

10 a.m., August 8

The insistence by Messrs. Kennedy and Johnson that the Campaign's start will be awaiting the conclusion of this month's Congressional session is, of course, invalid, other than in a strictly chronological sense. Pure nonsense is the plea that our public servants are going to use these three weeks (the Senate convenes Aug. 8, the House Aug. 15) to transact "the public's pressing business." Beating-the-gun for the Great pre-November Sprint, they are going to use the rarefied atmosphere of the Hill for the nth degree of fancy political maneuvering.

"Present" On Both Roll-Calls

Of considerable advantage to Candidate-Senator Kennedy, this change of campaign locale will supply the solution to his problem in meeting the criticism of his previous absentee-ism from Senate roll-calls which have been occasioned by his continuous pre-Nomination invasions of the political hinterland. Now, working shoulder - to - shoulder with his ticket running-mate and Majority Leader, he can devote the politically vital month of August to simultaneous roll-call answering and campaigning (possibly even with partial TV coverage).

This writer will not dwell on the scuttling of the nation's *general* legislative program into a highway gutter, referred to by the President here at Thruston Morton's breakfast. Others will be dealing adequately with the antics of the hard-running politicos, of both parties, in maneuvering for political mileage through the passing, rejecting, or via successfully or unsuccessfully (the latter sincerely or insincerely) moving to override Presidential vetoes. We confine our attention here to the *fiscal* area. There the August doings will have the most significance for our readers, in presaging the future exercise, by both parties, of their "Fiscal Responsibility" as expounded in the Platforms, when things get politically hot.

Preview of "Fiscal Responsibility"

Unfortunately for the country, the pork barrel-ing performance by the Congress at the beginning

*"How I Made $2,000,000 in the Stock Market," by Nicolas Darvas, American Research Council, $4.95. "How I Turned $1,000 Into a Million in Real Estate—In My Spare Time," by William Nickerson, Simon and Schuster, $4.95.

of July when "things" were merely smoldering, must impress on us what we are in for later this month, or at any other time that an Election is in the offing.

Unquestionably indefensible on many grounds was the Federal employees' pay-increase bill, passed over the President's veto. It enlarged the existing inequities between categories of government employees in giving them a 17½ to 20% rise against a concurrent 11% rise in the Consumers Price Index—the pressure group's raid costing "the people's" Treasury $750 million!

Who voted to over-ride the President's veto? All the Democratic Presidential candidates, Senators Kennedy, Johnson, Humphrey and Symington (none of whom saw fit to emulate the courageous minority stands so inspiringly memorialized in the former's prize-winning "Profiles in Courage"; or to further this ideal so solemnly promulgated in their Platforms: "When group interests conflict with the national interest, it will be the national interest which we serve"). Likewise swelling the veto over-riding by 74-24 in the Senate and 345-69 in the House were most of the Republican members (excluding Speaker Halleck among a few others). In the case of the "responsible" Senator Fulbright who to the surprise of this naive writer was among the over-riders, one of his close associates curtly explained, "Well, he's got to run in two years, doesn't he?"

Bi-Partisan Use of the Treasury Kitty Ahead

Also disappointing were Senators Scott, Capehart, Keating, Mundt among the majority (19-15) of the Senate's Republicans who voted to over-ride their President; in the House, usually courageous Auchincloss, Joe Martin and Lipscomb of the Platform Committee were among the over-riding Republican majority there (89-56).

Thus, the bi-partisanship of the use of the Treasury as a Campaign kitty (at least ex-Veto) will be a significant feature of the impending Congressional Carnival.

THE ACTUAL CULPRITS

Scrutiny of the Congressional voiting record reveals the persistant absence of party alignment; but rather the drastic dissolution of such solidarity. The Democratic Platform's complaints of allegedly existing loopholes and related "abuses" for the benefit of "certain privileged groups," must be viewed against that background.

(See page 50 of The Democratic Platform "THE RIGHTS OF MAN," which incidentally duplicates the wording of the document, page 3, submitted by Norman Thomas on behalf of the Socialist Party to the Platform Committee, July 5).

The annual attempt to reduce the specifically complained-of 27½% depletion allowance on oil and gas revenues suffered its latest defeat on June 20. But this frustration of perhaps the most widely considered loophole resulted, by a 62 to 24 vote, in a heavily Democratic Senate.

On the same day Senator Proxmire, Democrat of Wisconsin, who later was most voluble in endorsing the complaints in his Party's platform, introduced an amendment providing for withholding of income tax on interest and dividends. This leading alleged "loophole plugging" effort was likewise annihilated by a Senate vote of 16 to 69. No less than 42 of Proxmire's fellow-Democrats, including Majority Leader Lyndon Johnson, Senate Campaign Chairman Thruston Morton, and Democratic National Committee Chairman Jackson joined 27 Republicans in opposition.

A proposal to remove another featured "loophole," the 4% tax credit on dividends exceeding $50 a year (which has been giving partial alleviation of the double-tax burden) was barely strong-armed through, 42 to 41, by Lyndon Johnson, but even so requiring the affirmative votes of three Republicans. In any event, repeal of this "loophole" is deemed to face almost certain defeat in the House despite its heavy Democratic predominance.

In discussing this schism between future promise and past performance in Los Angeles, Chester Bowles and his Platform aides blamed the above-cited Party defections on the Southern Democrats and on the Party's past lack of a White House patronage whip. Interesting — and we shall see!

A. G. Edwards Adds

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Benjamin H. Boxer and William G. Cross have been added to the staff of A. G. Edwards & Sons, 409 North Eighth Street, members of the New York and Midwest Stock Exchanges. Mr. Cross was formerly with Walston & Co., Inc. of San Francisco.

Joins White Staff

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Ruth B. Epstein has joined the staff of White & Company, 506 Olive Street, members of the Midwest Stock Exchange. Miss Epstein was previously with B. C. Christopher & Co.

Dean Witter Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore. — Richard L. Carpenter is now with Dean Witter & Co., Equitable Building.

International Silver's New Pattern in Earning Power

By Dr. Ira U. Cobleigh, *Enterprise Economist*

Some notes on the resurgence of this renowned company and its program of greater diversity of operation.

We have an expression "He was born with a silver spoon in his mouth" denoting good luck or inherited opulence. Chances are the spoon in question was made by International Silver Company, the largest silver manufacturer in the world, and producers of four famous brands; International Sterling, Internatonal Deep Silver; International Stainless; and 1847 Rogers Bros. Silverplate. Sets from some of these brands grace the most elegant homes and the leading hotels and clubs in America. When you're eating "high on the hog" it's quite likely that you will be called upon to make the socially correct selection of the proper utensil for each course from International flatware.

In catering to glistening elegance in eating, International Silver Company has been a durable and successful enterprise. Its post-war years were not only silver lined but golden. In 1950 the company reported net sales of $59.28 million, a net profit of $13.24 per share; and paid a $6 dividend. An all-time high in sales, $70.9 million, was achieved in 1953 although per share net was only $6.45. The years 1957 and 1958 were much leaner due principally to intense competition created by Japanese imports. Beginning in 1959, and carrying on this year, however, a substantial upturn has been visible at International. The Japanese competition has been moderated by an import quota effective Nov. 1, 1959 and a pleasing expansion in 1960 sales of sterling and flatware should result.

New Products and Designs

There are some interesting new products which provide greater diversity and should augment profitability. For the first time in its 62 years' history, International is now marketing finished brass wares. The solid brass giftware line (protected against tarnish, food stains and alcohol by "durabrite") includes 49 items. They should simplify your next wedding gift selection problem as they include butter dishes, silent butlers, trays, wall mirrors, bowls and compotes.

Further, at the National Retail Jewelers Convention (begins August 14) International will unveil its new *Swan Lake* sterling pattern, with lines subtly suggesting the grace of the ballet; and the new 1847 Rogers Bros. pattern with an Hawaiian motif, *Leilani*. (Ought to be particularly effective in eating water cress and lettuce!) These exquisite new slver styles are expected to create an important expansion in silver sales this year.

Diversification

The management at INR (N. Y. Stock Exchange symbol for the International Silver common) has been busily at work on a long range program that would broaden the base of earnings and reduce corporate dependence on the silverware trade. To that end the company has acquired, at a cost of $2,700,000. the Eyelet Specialty Company, of Waterbury, Conn. and its wholly-owned subsidiary Canadylet Closures Ltd. This division is a large scale producer of lipstick cases and cosmetic containers. The main company had some expensive relocation costs last year but the Canadian unit was responsible for the net of $40,200 reported by International Silver of Canada Ltd.

In 1955 International acquired a 51% interest in Times Wire and Cable Company, makers of engineered cables for the electronic industry. Since 1955, its annual earnings have averaged around $57,000 a year and book value has appreciated by $288,000. In January of this year, INR exercised its option to buy out the minority interest here. There is also a Rolling Mill division which produces brass for the company and also sells commercial brass to outside customers.

These three non-silver divisions —Eyelet Specialty, Times Wire, and the Rolling Mill are expected to contribute above 20% of the 1960 sales total and to improve the profit ratio. Ultimately the management aims, by further diversification and expansion, to have a much higher percentage of business from non-silver operations—possibly as high as 50%.

International's current formula for expanding profitability is threefold: (1) diversification into somewhat related lines offering above average profit margin potentials, (2) presentation of attractive and appealing new designs of silverware, and (3) hard hitting silver salesmanship implemented by national advertising program for 1960, involving 192 ads in 21 leading magazines.

Earnings and Dividends

From the foregoing we should expect a rising trend of profits at INR. This is already in evidence. Sales in 1959 rose to $57 million from $53.4 million in 1958. Per share net also increased from $4.14 in 1958 to $4.55 in 1959 (not counting a non-recurring per share capital gain of $1.38).

For 1960 the forward motion continues. First half net is up to $978,170 or 59 cents a share higher than the first half results of 1959. This is the best earnings showing in five years. For the last half of the year the President, Mr. Craig D. Munson says: "we are enthusiastic about autumn business because . . . all sterling, silverplate and stainless steel lines are simultaneously offering unusual advanced new patterns and we are introducing an entirely new product—solid brass giftware which will open new markets."

In 1959 pre tax earnings and dividend margins were 17% of sales. This margin, a matter of vital interest to shareholders, is increasing in 1960. For the first quarter it was 19%; and over 20% for the year is in the range of possibility. For the full year a per share net of between $4.80 and $5.00 a share seems predictable. This is ample coverage for the current $3.00 dividend. At 52 INR yields 5.77% which is a considerably more generous income return than most people are buying these days. There was a 2% stock dividend declared last November, and the common was split four-for-one in 1946.

The magnitude of INR is documented by the operation of ten plants in the U. S. and one in Canada. Employees number about 4,400 and there are about 4,900 common and preferred stockholders.

Financial position is excellent with no long term debt and over $24 million in current working capital. There are 200,000 shares of $1.75 cumulative preferred ($25 par) preceding the 372,088 common shares listed on the NYSE. Price range of INR this year has been between 44½ and 55. Common dividends have been paid regularly since 1940 with dividend policy in recent years to distribute in cash around 40% of net.

How does INR common fit into investment programs at this time? It does some electronic cable business but you could hardly call the company an "electronic." It probably best fits into the "leisure time" category. After all, with more leisure, people in our "affluent society" spend more time at the dinner table and entertain more luxuriously. Moreover while the old "family plate" used to last a lifetime, or several lifetimes, new designs in table service are creating the same sort of buying urges that new models or styles in cars, boats or furniture do. Why balance Grandma's heavy old sterling spoon over a teacup when the lithe Swan Lake pattern propels you socially into the Space Age?

International Silver for over six decades has been making noteworthy contributions to cultivated living and corporate profitability. It should continue to do so.

Amos Sudler Adds

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—John W. Porterfield has been added to the staff of Amos C. Sudler & Co., 818 Seventeenth Street. He was formerly with Commonwealth Industrial Bank.

TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

The state and municipal bond market has continued to improve this week at the same steady rate that prevailed during the previous week. The market is led, as before, by a dominant upward trend in all manner of Treasury securities. The so-called innovations to be utilized in the sizable August refunding have not seemed to dampen the enthusiasm for the outright bull market in Treasury issues. A strong market for these issues is generally predicted for months ahead but its realization at the recent rate of improvement would seem to present some problems. For those who seek long term capital gains on recent purchases there could be, as there was in June of 1957, a coincidence of liquidation that was withering in its effect upon the market. But few realized their potential profits.

Dealer Inventory Melts

Regardless of the strong leadership exerted by Treasury obligations, the state and municipal bond market has definitely established a strong trend on its own merits. A few short weeks ago, when the *Blue List* compilation of state and municipal offerings totaled more than $470,000,000, it seemed reasonable that this extreme volume could not be reduced to moderate proportions without a general market sell-off. A coincidence of powerful market factors combined not only to substantially reduce this abnormally high street float but also pushed the market through to new high levels for the year. Within a brief period, the government market regained strength, heavy state and municipal new issue financing gave way to a very light schedule and investors turned towards tax-exempts for reasons involving the stock market, political developments and consequent tax problems generally.

Moreover, some institutional investors were belated in their tax-exempt bond programs, and further waiting for better fulfillment didn't seem quite safe. As a result, the *Blue List* state and municipal total is currently at $262,617,200; more than $200 million under the recent high.

Prices Again Higher

The *Commercial and Financial Chronicle's* high grade tax-exempt bond yield index is 3.33% as we go to press; down from 3.37% a week ago. This represents an average market rise for the past week over one-half point. As measured by our Index, the low point of the market reached this year was on Jan. 26 when the average yield was 3.61%. Transposing to dollars, the current Index (3.33%) represents a four point average gain in high grade 20-year tax-exempt bonds in about six months.

The *Smith, Barney & Company Turnpike Bond Yield Index* averaged 3.86% on July 28, the last reporting date. This represents a one-half point gain as against the previous week's average (3.88%). In early January this average was 4.31%. As between then and July 28, turnpike bonds had gained an average of about eight points.

Chesapeake Bay Financing Markedly Successful

After more than a year of intermittent negotiations, the Chesapeake Bay Bridge and Tunnel District, Virginia issues, totaling $200 million, were underwritten and brought to market this past Monday. The offering consisted of $70 million 4⅞% series A first pledge revenue bonds; $30 million series B second pledge revenue bonds and $100 million series C third pledge revenue bonds; all due in the year 2000. The proceeds will be utilized to build a continuum of low level bridges and tunnels, crossing 17½ miles of open water from Kiptopeke, Virginia on Cape Charles to Little Creek on the south shore of the bay. This crossing will replace the ferry boat system which now plies the route. This time saving project is designed to facilitate travel and to induce, as well as generate, much greater traffic volume.

The $100 million first and second pledge bonds were reportedly oversubscribed, for the most part by the large insurance companies. The $100 million third pledge bonds were offered generally to investors from coast to coast and they were quite well received. The underwriting was well handled and well coordinated to the market.

The managing underwriters were The First Boston Corp., Allen & Co., Merrill Lynch, Pierce, Fenner & Smith, Inc., and Willis, Kenny & Ayres, Inc. A sizable underwriting group participated. A formidable retail job was done by many of the underwriters.

Other Recent Awards

Other than the large Chesapeake Bay Bridge-Tunnel negotiated flotation there has been but little underwriting activity in the Street during the past week. On Thursday (July 28) $5,150,000 Delaware County, Pa. general obligation bonds (1961-1990) were awarded to the Phelps, Fenn & Co., C. J. Devine & Co., White, Weld & Co., Stroud & Co. group. Priced to yield from 1.85% to 3.35%, this very high quality issue was given only a fairly good investor reception. Less than half the issue has been sold thus far.

On Monday, Aug. 1, Seattle, Wash. awarded $4.5 million general obligation park (1962-1980) bonds to the syndicate headed by C. J. Devine & Co. and The Seattle First National Bank. The bonds were scaled to yield from 2.15% to 3.40% and more than half of them have been sold out.

On Tuesday, Aug. 2, $1,805,000 Hartford, Conn. general obligation (1961-1980) bonds were awarded to The Chase Manhattan Bank group, which included E. F. Hutton & Co. and MacDonald-Moore & Co. The issue has met with some demand by investors and bonds have been well taken.

Also on Tuesday the City of Boston, Mass. awarded $1.5 million general obligation bonds (1961-1975) to the Bankers Trust Co., The Chase Manhattan Bank, Blyth & Co. group. Priced to yield from 2.10% to 3.55%, this issue was slow with investors, partly since it was priced somewhat ahead of the secondary market for similar offerings. There are many who believe that the credit repute of Boston is underrated in view of the city's long unblemished financial record.

Calendar Continues Lean

The favorable technical position of the tax-exempt bond market is further emphasized by the lack of sizable new issue offerings on the near term calendar. Through Sept. 15 there is no scheduled flotation of greater than $24 million. This one involves the State of Washington offering scheduled for Aug. 23. On the next day, the East Bay Municipal Utility District, Calif. will take bids on $30 million serial bonds. Thereafter, San Francisco's offering of $21,455,000 serial bonds for Sept. 12 is the largest. This represents a light schedule even for late summer 1960.

Yields Still Attractive

Despite the handsome tax-exempt market gains of recent weeks there seems little present resistance to further price rise. Yields still make considerable sense from almost every viewpoint. A heavier autumn new issue schedule may serve to flatten out the rising price curve before it reaches an unsupportable level.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978-1980	3.75%	3.60%
Connecticut (State)	3¾%	1980-1982	3.30%	3.20%
New Jersey Highway Auth., Gtd.	3%	1978-1979	3.20%	3.05%
New York (State)	3%	1978-1979	3.15%	3.05%
Pennsylvania (State)	3⅜%	1974-1975	3.10%	3.00%
Vermont (State)	3⅛%	1978-1979	3.15%	3.05%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.35%	3.20%
Los Angeles, Calif.	3¾%	1978-1980	3.75%	3.60%
Baltimore, Md.	3¼%	1980	3.45%	3.35%
Cincinnati, Ohio	3½%	1980	3.35%	3.20%
New Orleans, La.	3¼%	1979	3.60%	3.50%
Chicago, Ill.	3¼%	1977	3.75%	3.60%
New York City, N. Y.	3%	1980	3.85%	3.80%

August 3, 1960 Index=3.33%

Shearson, Hammill Office

TUCSON, Ariz.—Shearson, Hammill & Co., has opened a branch office at 20 East Alameda Street with Howard B. Cursey, Jr. and Stanton W. Frederick, Jr. co-managers.

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

Aug. 4 (Thursday)			
Boston Metro. District, Mass.	5,480,000	1961-1980	8:00 p.m.
Indianapolis Flood Control Dist., Indiana	1,610,000	1962-1984	10:00 a.m.
Aug. 5 (Friday)			
Waterloo, Iowa	1,000,000	1961-1975	Noon
Aug. 9 (Tuesday)			
Enfield, Conn.	2,098,000	1961-1980	2:00 p.m.
Los Angeles County, California	11,000,000	1961-1980	--------
McHenry County H. S. D. No. 155, Illinois	2,200,000	1961-1979	8:30 p.m.
New Ulm Independent School District No. 83, Minnesota	1,100,000	1963-1980	2:00 p.m.
Ohio State Univ. Dormitory Ohio	4,360,000	1961-1999	11:00 a.m.
Worcester, Mass.	2,200,000	1961-1980	11:30 a.m.
Aug. 10 (Wednesday)			
Granville, Hebron, Hampton & Whitehall Cent. S. D. No. 1, N. Y.	2,295,000	1961-1989	10:00 a.m.
Macomb Co., Michigan	6,600,000	1960-1989	2:00 p.m.
Marin Co. Municipal Water Dist., California	3,000,000	1964-1989	11:00 a.m.
Terrebonne Parish, Louisiana	1,300,000	1961-1980	10:00 a.m.
Wallingford, Conn.	2,214,000	1961-1979	2:00 p.m.
Wall Township, N. J.	1,427,000	1961-1985	8:00 p.m.
Aug. 11 (Thursday)			
Indiana State Teachers College, Indiana	1,500,000	1962-1986	2:00 p.m.
Russellville, Ky.	2,450,000	1962-1981	3:00 p.m.
Schenectady County, N. Y.	1,425,000	1961-1989	2:00 p.m.
Aug. 12 (Friday)			
Ball State Teachers College of Ind.	2,200,000	1962-1997	10:00 a.m.
East Side Levee & Sanitary Dist., Illinois	1,070,000	1963-1980	10:30 a.m.
Aug. 15 (Monday)			
Cabrillo Jr. Union Jr. College Dist., California	2,000,000	1961-1985	11:00 a.m.
California (State of)	15,000,000	1965-1990	10:00 a.m.
Tri-Cities Mun. Water Dist., Calif.	3,000,000	1963-1990	7:30 p.m.
Aug. 16 (Tuesday)			
Dearborn, Mich.	2,850,000	1961-1990	8:00 p.m.
Henderson, Ky.	1,500,000	1961-1998	1:30 p.m.
Niagara Co., Water Dist., N. Y.	4,500,000	1961-1990	--------
Aug. 17 (Wednesday)			
Fresno Redevelopment Agency, California	1,000,000	1990	11:00 a.m.
Holland S. D., Mich.	3,371,000	1961-1986	8:00 p.m.
Spartanburg County (Liberty-Chesnee-Fingerville Water Dist.), South Carolina	1,100,000	1963-1990	Noon
Aug. 18 (Thursday)			
Washington Suburban Sanitary Dist., Maryland	4,000,000	1961-1990	11:30 a.m.
Westlake City Sch. Dist., Ohio	2,100,000	1962-1982	1:00 p.m.
Aug. 23 (Tuesday)			
Cherry Hill School District, Mich.	1,200,000	1961-1985	7:30 p.m.
Iberville Parish, Louisiana	1,000,000	1962-1985	2.30 a.m.
San Mateo Jr. College Dist., Calif.	5,900,000	--------	--------
Washington	34,000,000	--------	--------
Aug. 24 (Wednesday)			
East Bay Municipal Utility Dist., California	30,000,000	1961-1995	10:00 a.m.
Aug. 30 (Tuesday)			
Tempe, Ariz.	1,630,000	1961-1977	2:00 p.m.
Sept. 1 (Thursday)			
Fort Myers, Florida	2,000,000	--------	--------
Rochester, New York	9,157,000	--------	--------
Washington Suburban Sanitary Dist., Maryland	1,000,000	1961-1990	11:30 a.m.
Sept. 7 (Wednesday)			
Alameda—Contra Costa Transit District, California	16,500,000	1961-1980	--------
St. Anthony Indep. School District No. 282, Minnesota	1,000,000	1963-1985	2:00 p.m.
Sept. 8 (Thursday)			
Los Angeles, California	4,000,000	1961-1980	10:30 a.m.
Sept. 12 (Monday)			
Red Wing Indep. School District, Minnesota	1,500,000	--------	2:00 p.m.
San Francisco, California	21,455,000	1961-1975	--------
Sept. 14 (Wednesday)			
Greenwood Metro. Sewer District, South Carolina	1,600,000	--------	--------
Sept. 20 (Tuesday)			
Milwaukee, Wisconsin	10,750,000	--------	--------
Oct. 5 (Wednesday)			
Los Angeles Department of Water and Power, Calif.	12,000,000	--------	--------
Oct. 18 (Tuesday)			
Los Angeles Co. Flood Control District, California	10,000,,000	--------	--------

Consumer Credit Industry Faces Serious Problems

By Paul H. Williams, Executive Vice-President and Counsel, State Loan and Finance Corp., Washington, D. C.*

Problems in evolving a model consumer finance law are recounted by Mr. Williams who chides his branch of the industry for failing to agree among themselves and to keep up with modern operating practices. He suggests junking the old small loan law—and starting anew—convinced that a fresh, united approach must be pushed if consumer finance companies are to prosper and grow. The author refers to archaic restrictions said to be harming the industry; endorses full disclosure to the borrower but terms some of the proposed Federal bills' provisions on this as impractical; and warns that failure to end the restrictions and the hodge-podge of State laws will invite direct Federal regulation of the consumer instalment credit business.

Paul H. Williams

According to the Federal Reserve reports, there was approximately $39½ billion outstanding in the Consumer Installment Credit field as of March 31, 1960. The approximate amount in each of the respective classifications was as follows: $16½ billion, automobile sales finance; $10 billion, other installment financing of consumer goods; 2½ billion, repair and modernization of homes; $10 billion, personal installment loans.

Since my experience has been confined principally to the Consumer Installment Loan business, I will limit most of my remarks to this field.

Of the $10 billion outstanding in personal installment loans, Consumer Finance companies held approximately 32%, Commercial Banks, 31½%, Credit Unions 17½%, Sales Finance companies some 9%; other institutions, such as Industrial Banks, Savings Banks and miscellaneous, held the remaining 10%.

Generally speaking, Consumer Finance Companies make their loans under legislation following the general pattern of the Uniform Small Loan Law which was brought into being and sponsored by the Russell Sage Foundation beginning back in 1916. Such laws, with variations, are in force in 45 or 46 States. While the amount and method of stating maximum permitted rates of charge in these laws differ, the vast majority of the States have the maximum rate set forth as a "percent per month" based on the unpaid balance. A few States set out the maximum rate of charge in dollars and cents on a per annum basis. In others the maximum permitted rates of charge include both of these as alternative methods. In a few States the charges are divided into two parts—first, fees which may be charged for investigating and making of the loan and, second, an interest percent per annum, based on the original amount of the loan. In one or two instances there are variations of this, with an additional separate charge for the handling and servicing of the monthly installment payments on the loan.

What Commercial Banks Do

Commercial Banks are making personal installment loans under a sort of "hodge-podge" of varying types of laws, or adaptations of what was originally known as the "Morris Plan" system, the provisions of which cover the operations of the Industrial Loan companies and Industrial Banks of the country. In some cases enabling acts have been passed by States permitting an investigation fee, along with an interest charge, per annum, based on the original amount of the loan. In others, a dollar-charge has been authorized on a per annum basis. In many of the jurisdictions banks are charging the maximum rate of interest permitted under the usury law on the amount of a term loan, generally on a discount basis, and then requiring the borrowers to make monthly payments into a savings account sufficient to pay off the loan at maturity.

Credit Unions operate under Federal or State Credit Union acts as tax-exempt cooperatives, competing vigorously in every Consumer Credit field, at a permitted rate of 1% per month on the unpaid balances. In the case of State Credit Unions the rate may be 1½% per month on the unpaid balances.

Sales Finance companies handle their Consumer Installment Loan business in a variety of ways, depending upon the State law. In some States they follow the "Morris Plan" system of making term loans at the maximum legal rate of interest, at the same time selling the borrower an investment certificate in the same amount as the loan, to be paid for on a monthly payment plan sufficient to pay for such certificate in full at the maturity of the loan, which is then used by the borrower as an offset or payment of the term note. In other States these companies obtain licenses and operate under a Small Loan or an Industrial Loan Law, or in many cases they simply operate under the general Usury Laws of the State, charging the maximum interest rate with the addition of fees and charges, including insurance, particularly since most of these loans are secured by liens on automobiles.

It is to be noted that each type of institution handling Consumer Installment Loan paper operates under varying types of specific legislation or conduct their operations under various subterfuges because the interest rates permitted by the Usury Laws of the different States are far too low to permit Consumer Installment Loans to be made at a profit.

Suggests Enabling Act for All Credit Institutions

To someone not familiar with this business, the first suggestion as to a constructive and adequate program would seem to be the adoption of an enabling act in each State, under which all these institutions could qualify and conduct their operations. After all, generally speaking, each is engaged in making cash installment loans to the same type of individuals in the same communities of the United States.

I am not sure this wouldn't be the most constructive step, if it could be accomplished.

Of course at the outset we have to eliminate from such considerations the Federal and State Credit Unions as I feel it is improbable, if not impossible, to oust them from the sacred place they presently occupy in our society, competing with private business without the necessity of paying any taxes. In many cases they have little or no overhead expense, such as rent, as they are able to obtain facilities at an employer's expense. Their greatest expenditure is in the salary paid to the individual or individuals actually conducting their operations, which they have expanded far beyond the purposes for which they were brought into being.

In order to understand the complications involved in getting the other types of companies engaged in this business to unite in sponsoring an all-inclusive Consumer Installment Loan Bill, it is necessary to briefly review the historical development of the Consumer Installment Loan business.

Criticizes His Own Branch Of the Industry

The major obstacle to any such program would come from our own branch of the industry—Consumer Finance companies. For years we have been involved in one controversy after another with respect to what we need in the way of legislation. If we could get the leaders in our own field to agree on a modern approach to this problem, I am sure the other segments of the industry would be more than glad to unite in an effort to get such a program adopted in the various States. However, there are as many different views on this subject in our segment as there are companies and individuals in it. Sometimes these controversies are on principles, but more often on details.

For example, we were recently working on legislation for a certain State and spent a great deal of time on whether or not a statement of purpose was an absolute requirement in a Consumer Loan Law. As you can see, we can't even agree on the very first section of proposed legislation, and these controversies continue section by section.

We have been fighting a running battle over dual business. Such a problem should never come up. After all, if you are an ethical, legitimate businessman and want to engage in the small loan business and some other business at the same location, it should be your own choice, and not a matter of legislative or administrative determination.

The use of operating efficiencies which have been developed for the installment loan business should be ours to adopt if we see fit, without worrying about an amendment to some restrictive provision of the law in order to use, for example, such a simple thing as a coupon payment book.

To my mind, the great problem which we face—and the one which causes these controversies—is the constant effort to work out new legislation within the general framework of the original Russell Sage drafts of the Uniform Small Loan Law. This is wrong! If the 196's are going to give us "constructive, adequate and progressive legislation," we had better stand back and take a piercing look at our own business to see what we really need.

We've Outgrown Remedial Laws

The original small loan laws and most of the adaptations, amendments and revisions follow the pattern of remedial legislation. The early small loan laws of necessity were remedial because they were principally designed to stop the loan shark evil. This function they admirably performed. Now nearly every State in the country has workable loan legislation in one form or another. For all practical purposes the loan shark has been driven from business.

Remember, please, at the time these original small loan laws came into being, all debt was frowned upon and the debt of an individual for consumption was deplored. Personal borrowing, except for a serious emergency, was abhorrent to the public conscience.

In consequence, these small loan laws gave only one permission—the right to charge a rate in excess of the customary or legal interest rate — but included many stringent rules and regulations intended to protect the borrower. The other expressed purpose was to deter the consumer from borrowing except for dire emergencies. While the Russell Sage Foundation was fully aware of the cost involved in the making and handling of small installment loans, the innovation of the all-inclusive charge, stated as a "percent per month" interest charge, as compared to the orthodox 6% per annum, was particularly designed to so shock the prospective borrower it would stop him from making any but a really necessitous loan.

We have long since outgrown this. These remedial laws have served their purpose. They are now no longer needed. There is no social stigma attached to credit or to individual indebtedness. It is accepted as part of our way of life.

When I came into this business in 1936 with our company in Maryland, one of the first assignments I had was to work on proposed amendments to the small loan law of this State. As a practicing lawyer from Iowa who knew little or nothing about this business, I was absolutely astounded to see our industry submitting and agreeing to proposals which in my judgment place a noose around its neck—and I have yet to change my mind. I have never known any other industry or business in this country which voluntarily, and in many cases by active insistence, was able to surround itself with so many costly restrictions, regulations and laws which make the cost of these installment loans much higher than they should necessarily be, particularly in this day and age.

However, as I mentioned, many of the so-called "Old Timers" in the industry grew up when it was changing from a "loan shark" industry to one which was regulated by the State and gradually being accepted as a responsible member of the business community. I feel they have failed to realize and appreciate the economic and social changes which have occurred in this country since the early 1900's, bringing about a

Continued on page 23

DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Automatic Vending Industry — Discussion in July-August issue of "American Investor" — American Stock Exchange Investor, 86 Trinity Place, New York 6, N. Y.—15¢ per copy, $1.00 per year. Also in the same issue are articles on **Transportation Corporation of America, Diversey Corporation, Molybdenum Corporation of America** and **Harvey Hubbell, Inc.**

Beneficiaries of the Population Explosion — Discussion in August Investment Letter — Carreau & Company, 115 Broadway, New York 6, N. Y.

Bank Stocks — 113th consecutive quarterly comparison of leading banks and trust companies of the United States — New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

Clearer Track for Railroads — Analysis — Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are data on **American Machine & Foundry.**

Food Processors—Analysis—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available are data on **Bristol Myers Co.** and **Continental Connector Corp.**

Four Low Priced Stocks—Data on **Lerner Shops, Rheem Manufacturing Co., Boeing Airplane** and **Texas Pacific Land Trust** — Droulia & Co., 25 Broad Street, New York 4, N. Y.

Growth and Quality at reasonable prices—Data on **Anchor Hocking, Armstrong Cork** and **McKesson & Robbins**—Dean Witter & Co., 45 Montgomery St., San Francisco 6, Calif.

Investment Companies—Study of portfolio changes of 48 companies — E. F. Hutton & Company, 61 Broadway, New York 6, N. Y.

Japanese Market — Review — Yamaichi Securities Co., of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reviews of **Komatsu Manufacturing Co. Ltd.** and **Ebara Manufacturing Co. Ltd.**

Japanese Market — Review — Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. Also available are reports on **Hino Diesel Industry Co.** and **Takashimaya Co.**

Japanese Market — Analysis — Nikko Securities Co., Ltd., 25 Broad Street, New York 4, N. Y. Also available is an analysis of **Hitachi Limited.**

Japanese Stock Market — Survey —Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a discussion of the new administrative amendment to the foreign investment law of Japan and analyses of **Sony, Mitsui Bussan, Fuji Electric Manufacturing, Nippon Steel Tube, Isuzu Motor, Toyo Rayon, Toyota Motor, Mitsui Chemical Industry,** and **Kirin Breweries.**

Life Insurance Companies — 12 reasons for investing—12 revised edition, $1.00 per copy — J. H. Goddard & Co., Inc., 85 Devonshire Street, Boston 9, Mass. Also available is a report on **Simplex Paper Corp.**

Market Commentary—Bulletin—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 4, N. Y. Also in the bulletin is a report on **Minute Maid.**

Motion Picture Industry—Analysis with data on **Columbia Pictures Corp., Metro Goldwyn Mayer, Paramount Pictures Corp., Twentieth Century Fox Film Corp., United Artists Corp., Universal Pictures Co.,** and **Warner Brothers Pictures.**—Sutro Bros. & Co., 80 Pine Street, New York 5, N. Y.

New Toronto Stock Exchange Commission Rates — Bulletin — Draper Dobie and Company Ltd., 25 Adelaide Street, West, Toronto, Ont., Canada. Also in the same bulletin are data on 15 Canadian **Oil Companies** and **35 Mines.**

New York City Bank Stocks — Mid-year earnings comparison of leading banks—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Northern New Jersey Banks — Comparative figures as of June 30th—Parker & Weissenborn, Inc., 24 Commerce Street, Newark 2, N. J.

Preferred Stocks — Bulletin of issues which appear interesting—Courts & Co., 11 Marietta Street, N. W., Atlanta 1, Ga. Also available is a memorandum on **Textile stocks.**

Over-the-Counter Index — Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period — National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Savings: Capital for the Sixties—In the August "Investornes" — Francis I. du Pont & Co., 1 Wall Street, New York 5, N. Y. In the same issue are discussions of **Johnson & Johnson** and the **Publishing Industry** and reports on **Truax Traer Coal, Safeway Stores, Kimberly Clark,** and **Montgomery Ward.** Also available is a memorandum on **Stewart Warner Corp.**

Sugar Allocations—Report—Lamborn & Company, 99 Wall Street, New York 5, N. Y.

Venture Capital Investment Companies—Review—Cooley & Company, 100 Pearl Street, Hartford 4, Conn. Also available are data on **American Machine & Foundry.**

Western Pennsylvania Corporations — 1960 Edition of booklet containing information on 82 companies—Singer, Deane & Scribner, Union Trust Building, Pittsburgh 19, Pa.

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Abbott Laboratories — Review — Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of **Public Service Co. of Indiana.**

Aerovias Sud Americana—Analysis—Beil & Hough, Inc., 350 First Ave., North, St. Petersburg, Fla.

Allied Paper — Memorandum — Adams & Peck, 120 Broadway, New York 5, N. Y.

American Distilling — Memorandum—Bruns, Nordeman & Co., 115 Broadway, New York 6, N. Y.

American Photocopy Equipment—Data — Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Automatic Retailers of America—Report — Sutro & Co., 210 West Seventh Street, Los Angeles 14, Calif. Also available are reports on **Walt Disney Productions, Inc.** and **Hunt Foods & Industries, Inc.**

Baxter Laboratories — Analysis — Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also available is an analysis of **KVP Sutherland Paper.**

Beckman Instruments — Memorandum — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y. Also available are memoranda on **Chesbrough-Bond's Inc., Diamond Alkali, Electric Storage Battery, Haloid Zerox, Hertz Inc., Heyden Newport Chemical, Lerner Stores, Lone Star Gas, Long Island Lighting, Orange & Rockland Utilities, Sheraton, Burry Biscuit, Texas Instruments, Norris-Thermidor, Susquehanna, Grumman, Addressograph Multigraph** and **Ferro.**

Beech Nut Life Savers Inc.—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are reports on **Monsanto Chemical Company** and **Corning Glass Works.**

Beneficial Finance Co.—Analysis —Joseph Walker & Sons, 30 Broad Street, New York 4, N. Y.

Big Bear Stores Co.—Analysis—The Ohio Company, 51 North High Street, Columbus 15, Ohio.

Boise Cascade Corp. — Memorandum—Daly & Co., First National Bank Building, Boise, Idaho.

Borman Food Stores—Analysis—L. F. Rothschild & Co., 120 Broadway, New York 5, N. Y.

Bristol-Myers—Review—Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also in the same review are data on **P. Lorillard Co.** and **Rochester Gas and Electric Co.**

Bush Terminal Buildings Company—Analysis—Kalb, Voorhis & Co., 27 William Street, New York 5, N. Y.

Bush Terminal Company—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Central Del Rio Oils Limited — Analysis — Dominion Securities Corporation, 40 Exchange Place, New York 5, N. Y.

Chemical Products Corporation—Analysis—Hemphill, Noyes & Co., 15 Broad Street, New York 5, N. Y. Also available is a report on **Oil In the New Decade.**

Chromalloy Corporation—Analysis—Blair & Co., Incorporated, 20 Broad Street, New York 5, N. Y. Also available is a memorandum on **Aeroquip.**

Colgate Palmolive Company—Report—Golkin, Bomback & Co., 25 Broad Street, New York 4, N. Y.

Commercial Solvents—Data—du Pont, Homsey & Company, 31 Milk Street, Boston 9, Mass. Also in the same bulletin are data on **Martin Co., Pittsburgh Plate Glass** and **Signode Steel Strapping.**

Continental Connector Corporation — Analysis — Chesley & Co., 105 South La Salle Street, Chicago 3, Ill. Also available is a memorandum on **Ennis Business Forms, Inc.**

Diamond Alkali Company — Report — Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Diocese of Buffalo direct Obligation Serial Notes—Bulletin—B. C. Ziegler and Company, Security Building, West Bend, Wis.

Dit-MCO, Inc. — Memorandum — Midland Securities Co., Inc., 15 West 10th Street, Kansas City 5, Mo.

Draper Corporation — Analysis — Parrish & Co., 40 Wall Street, New York 5, N. Y.

Eagle Food Centers—Analysis—A. C. Allyn & Co., 122 South La Salle Street, Chicago 3, Ill.

Eastern Gas & Fuel Associates — Analysis — Vilas & Hickey, 26 Broadway, New York 4, N. Y.

Electronics Capital Corporation—Data—Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y. Also in the same bulletin are data on **Martin Company** and **Raytheon Company.**

Electrosolids Corp. — Analysis — Morgan & Co., 634 South Spring Street, Los Angeles 14, Calif.

Fruehauf Trailer Co.—Study—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Gamble Skogmo Inc.—Bulletin—D. M. S. Hegarty & Associates, 19 Rector Street, New York 6. N. Y.

General Dynamics—Memorandum —William North & Co., 9 Maiden Lane, New York 38, N. Y.

Harris Trust & Savings Bank — Analysis—The First Boston Corporation, 15 Broad Street, New York 5, N. Y.

Harvey Boat Works Inc.—Analysis —Walter R. Blaha & Company, Inc., 29-09 Bridge Plaza, North, Long Island City 1, N. Y.

Walter E. Heller & Company — Data — Freehling, Meyerhoff & Co., 120 South La Salle Street, Chicago 3, Ill.

Interchemical — Memorandum — Laidlaw & Co., 25 Broad Street, New York 4, N. Y.

International Telephone and Telegraph Corporation — Analysis — Shearson, Hammill & Co., 14 Wall Street, New York 5, N. Y.

Joy Manufacturing Company — Bulletin — Georgeson & Co., 52 Wall Street, New York 5, N. Y. Also available is a bulletin on **Lock Joint Pipe Company.**

Lone Star Brewing Co. — Memorandum—Russ & Company, Inc., Alamo National Building, San Antonio 5, Texas.

Martin Company — Analysis — Hornblower & Weeks, 40 Wall Street, New York 5, N. Y. Also available are memoranda on **Cities Service, Cluett Peabody** and **Hewitt Robbins.**

Merchants Fast Motor Lines — Bulletin—Eppler, Guerin & Turner, Inc., Fidelity Union Tower, Dallas 1, Texas.

Mersick Industries, Inc.—Analysis —G. K. Shields & Co., 15 William Street, New York 5, N. Y. Also available is a circular on **Peterson Electronic Die Co.**

Mississippi River Bridge Authority — Bulletin — Scharff & Jones, Inc., 140 Carondelet Street, New Orleans 12, La.

Murphy Corporation—Analysis—Paine, Webber, Jackson & Curtis, 25 Broad Street, New York 4, N. Y. Also available is an analysis of **Statham Instruments, Inc.,** and **TXL Oil Corp.** and data on **Brooklyn Union Gas, Bobbie Brooks, Inc., Diamond National, Polaroid Corporation** and **Texas Gulf Sulphur.**

Newport News Shipbuilding and Drydock — Bulletin — Federman, Stonehill & Co., 70 Pine Street, New York 5, N. Y.

Reynolds Metals—Report—Robinson & Co., Inc., 42 South Fifteenth Street, Philadelphia 2, Pa. Also available is a report on **Movielab Film Laboratories.**

Stevens Markets, Inc. — Report — R. S. Dickson & Co., Inc., Wachovia Bank Building, Charlotte 2, N. C.

Technical Operations, Inc. — Analysis—Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa.

Victoreen Instrument Company — Analysis—Cruttenden, Podesta & Co., 209 South La Salle Street, Chicago 4, Ill.

Video Corporation — Bulletin — California Investors, 3932 Wilshire Boulevard, Los Angeles 5, Calif.

Will Ross, Inc. — Memorandum — Blunt, Ellis & Simmons, 111 West Monroe Street, Chicago 3, Ill.

Wisconsin Power and Light Company — Analysis — Loewi & Co. Incorporated, 225 East Mason St., Milwaukee 2, Wis. Also in the same bulletin is an analysis of **Therm-O-Disc Inc.**

Why the Spreading Gloom On London Stock Exchange

By Paul Einzig

Almost every important facet in the British economy's situation is touched upon in Dr. Einzig's summation of what the new Chancellor of the Exchequer has to face. Included therein are the fears said to be held about further disinflationary measures, and the small solace that the probable rise in the price level is not a peculiar British phenomenon and, thus, may not accentuate the adverse trend in the trade balance.

LONDON, England—The holiday season is opening with a feeling of gloomy forebodings on the London Stock Exchange. There has been an all-round decline in equities during the second half of July, and an atmosphere of pessimism is gaining ground. Even though selling of equities is on a small scale, counterparts are reluctant to come forward. The decline is not spectacular but persistent.

The increase in the amount of bank loans to customers by £100 million during the month ended July 15 has greatly contributed towards accentuating the gloom. It came as a surprise, because everybody expected that the credit squeeze, the high Bank rate, and the instalment finance restrictions between them would bring the credit expansion to a halt. According to one school of thought the increase does not represent new credits but merely the half-yearly interest on outstanding credits which have been added to the accounts on June 30. According to another school of thought the increase is due to the fact that many industrial and commercial firms have only just made full use of the credit lines granted before the credit squeeze.

However it may be, the increase has caused fears about further disinflationary measures by the authorities. Such measures may be taken in any case, because during the past month over-full employment increased in Britain. The number of vacant jobs now perceptibly exceeds the number of unemployed, and labor shortage is becoming increasingly acute.

Nor is the balance of payments very satisfactory. The decline in British automobile exports to the United States is looked upon with growing concern. Altogether the outlook in the motor industry is not very satisfactory, as discrimination against British exports in the Common Market countries is likely to become increasingly effective deterrent to the purchase of British cars.

Sterling Bound to Remain Firm

On the other hand sterling remains very firm. There will be no need for reinforcing the disinflationary pressure for the sake of defending sterling against a speculative drive. Apart from any other reasons, the uncertainty of the election outlook in the United States is expected to cause dollars to be weak during the next three months, and sterling is bound to benefit by it.

Nor do the changes in the British Government foreshadow a very hard monetary policy. It is true, Mr. Thorneycroft is back again in the Government. But he is now head of a spending department, the Ministry of Aviation, which is quite different from being on the other side of the fence as Chancellor of the Exchequer whose job is to restrict spending. The inclusion of both Mr. Thorneycroft and Mr. Enoch Powell who resigned with him in 1958 in protest against increasing expenditure, is calculated to mitigate the pressure against the Government's spending policies on the part of the rank and file of Government supporters in Parliament.

The new Chancellor of the Exchequer, Mr. Selwyn Lloyd, is not expected to display much resistance to pressure on the part of the spenders, so that hopes of a restraint on public spending are none too high. On the other hand, pressure from the opposite direction is on the increase. Even though the Conservative members of Parliament who have been engaged in agitating for cuts in expenditure have now lost the support of Mr. Thorneycroft and Mr. Powell, at long last there are indications that a section of the Labor Party, too, is becoming aware of the need for closer control of expenditure. The political atmosphere has become distinctly more hostile to extravagance and wasteful inefficiency in Government departments. But it is bound to take much time before the movement will be able to produce perceptible results. Meanwhile the budgetary deficit continues to aggravate the other factors making for inflation.

Foresees Cost of Living Rise

Under the influence of the danger of inflation, the Government is now inclined to reconsider its policy favoring unrestricted freedom. On the one hand, the official policy favors increased competition, and the Government is expected to adopt further measures against monopolies and restrictive practices in business. On the other hand, the Government is considering the adoption of measures to prevent the misuse of freedom.

It is now considered probable that the period of price stability has come to an end, and that the next few months will witness an appreciable increase in the cost of living. This is not a specially British phenomenon, so that it need not necessarily accentuate the adverse trend in the trade balance. The Government attaches sanguine hopes to the export drive initiated by the Prime Minister, Mr. Macmillan, but businessmen are doubtful whether such exhortations will produce any noteworthy results so long as the absorbing capacity of the domestic markets remain at its present level. As for that, the wage increases which have been granted recently, or which are likely to be granted, will contribute towards maintaining consumer demand. It is true, the atmosphere is now less optimistic for capital expenditure, but in many instances plans have reached a too advanced stage to be cancelled.

In such circumstances the task which the new Chancellor of the Exchequer has to face is anything but enviable.

Named Directors

Hugh Knowlton, a partner of Kuhn, Loeb & Co., and Graham B. Blaine, a partner of Tucker,

Hugh Knowlton   Graham B. Blaine

Anthony & R. L. Day, were named directors of Harvey Aluminum (Incorporated), Torrance, California, effective Aug. 1.

Mr. Knowlton is a director of International Telephone & Telegraph Corp., Eastern Air Lines, Inc., Pan American Sulphur Co., Industria Electrica de Mexico, and Heritage Petroleum Corporation.

Formerly Vice-Chairman of Chase Manhattan Bank, Mr. Blaine is a director of Burlington Industries and a trustee of Dollar Savings Bank of New York.

Harvey Aluminum is a primary producer of aluminum, titanium, and zirconium.

Cruttenden, Podesta Branch

CHICAGO HEIGHTS, Ill.—Cruttenden, Podesta & Co. has opened an office at 58 Illinois Street, its second in Illinois, and its 18th coast to coast, Robert A. Podesta, managing partner of the Chicago-based investment firm, has announced.

Richard J. Wallace, a veteran of 30 years in the securities business and a member of the firm's head office staff since 1954, has been appointed Chicago Heights manager. Associated with him are Robert F. Shields, Maurice P. Angland, and Fred J. Ribando, registered representatives. All three were formerly associated with Reynolds & Co.

With Abraham & Co.

Abraham & Co., 120 Broadway, New York City, members of the New York Stock Exchange, have announced that Frank Feinberg is now associated with the firm in the Security Research Department and that Ruth Zimmerman, Stanley M. Blaustein, Stanley Kass and William Newman have become associated with the organization as customers' representatives.

Florida Inv. Ventures

PALM BEACH, Fla.—Florida Investment Ventures, Inc. is engaging in a securities business from offices at 135 Worth Avenue.

Reynolds Branch

NEWARK, N. J.—Reynolds & Co. has opened a branch office at 60 Park Place under the management of Charles J. Wiegard.

Baker, Walsh Official Changes

CHICAGO, Ill.—Wallace D. Johnson, President of Baker, Walsh & Company, has announced their election to membership on the Midwest Stock Exchange and the inclusion of George M. Baker & Company as part of their revitalized organization. In keeping with an aggressive program as outlined by the new President, the following official appointments were made effective Aug. 1, 1960: John N. Wilkin, Chairman of the Board of Directors; Wallace D. Johnson, President; George M. Baker, Edwin Joseph Small and Joseph V. Seif, Vice-Presidents; John F. Baker, Secretary; and George E. Johnston, Treasurer.

On Oct. 19, 1960, Baker, Walsh & Company will celebrate 39 years in the investment business at the same location, 29 South La Salle Street. Several members of this firm have been with it since its inception and have witnessed La Salle Street in wars, panics, depression and the biggest bull market in history.

Edwin Joseph Small, one of the original founders of Baker, Walsh & Company in 1921, has over 40 years of experience in the investment business and through the years has been a director of several corporations, among them Investors Telephone Company, Jacksonville Gas Corporation, Jacksonville, Florida, Indiana Telephone Company, and Western Light and Telephone Company. George M. Baker and John F. Baker were partners until just recently in George M. Baker & Company. They are both sons of another of the original founders, Claude F. Baker. Wallace D. Johnson, the new President, has been with Farwell, Chapman & Co. for the past eight years. Prior thereto he had been associated with Baker, Walsh & Company.

Loeb, Rhoades Admits Mueller

The investment banking firm of Carl M. Loeb, Rhoades & Co., 42 Wall Street, New York City, members of the New York Stock Exchange, have announced that Carl M. Mueller has been admitted to general partnership in the firm. Until recently Mr. Mueller was a Vice-President of Bankers Trust Company, New York City, heading the Special Industries Banking Division. He is a director of Texas Butadiene & Chemical Corporation, New York, and Goliad Oil & Gas Co., Calgary, Canada.

Frank Ginberg Opens Own Firm

Frank Ginberg has announced the formation of Frank Ginberg & Co., Inc., research and trading specialists in unlisted securities and special situations, with offices at 25 Broad Street, N. Y. City.

Associates in the firm are Louis Marinelli, David Ginberg, Irving Ittleman and Gerald Markowitz.

George R. Harris With Peters, Writer Firm

(Special to The Financial Chronicle)

DENVER, Colo.—George R. Harris has become associated with Peters, Writer & Christensen, Inc., 724 Seventeenth Street. Mr. Harris was formerly head of G. R. Harris & Co. and prior thereto was with Garrett-Bromfield & Co. and Cruttenden & Co.

Coping With Unstable International Currencies

By Guenter Reimann, Editor, International Reports, Inc. New York City*

International currency convertibility still remains arduously complex and uncertain despite post World War II's progress in the opposite direction. Indicative of this, Mr. Reimann avers, is the phenomenon of free convertibility in countries with unstable currencies and of hard country currencies not above lapsing into foreign exchange and other restrictions. The writer suggests what can and should be done in coping with currency depreciation and other risks; notes our currency is not above suspicion even though it's the world's key currency; doubts gold devaluation in the next three years, and currency and price level stability in the years ahead.

It is not true that we are moving towards a one unified area of freely convertible currencies. This was the aim of the Bretton Woods Conference at the end of the last world war, and thereafter of the International Monetary Fund. The latter certainly has become a strong and important international organization which may enlarge its functions and its role. But it cannot regulate political developments which are more decisive for the prospect of monetary stability and convertibility of currencies than mere monetary theories.

Guenter Reimann

Cuba—As a Pattern

At the doorstep of the U. S., in Cuba, one may observe rapidly changing conditions in a country which used to have a stable and freely convertible currency and now becomes an area of foreign exchange controls and inflation which will probably end with a drastic devaluation of the currency.

Similar situations may develop in other countries. Usually domestic investors and traders become aware of the new development before foreign traders, and investors abroad are fully realizing the new currency risks.

In Cuba importers or domestic traders became fully aware of the danger of inflation, currency devaluation and in particular of foreign exchange shortages and import restrictions during last year. Thereupon many trading firms tried to restock their inventories and to use their foreign credit as much as possible in order to enter the new period of shortages of foreign exchange and also of devaluation with ample stocks. Swiss exporters, for instance, suddenly enjoyed a booming export trade in watches and shipped larger amounts of watches to Cuba than ever before. But they still granted the usual export credits. The importer in Cuba fulfilled his obligation by paying the bill in pesos to his bank, but the latter can no longer freely transfer peso funds into foreign currencies abroad. As a result, the foreign exporter and in many cases also banks have granted credits to Cuba and have to wait for payments in foreign exchanges. Delays may be only a few months, but the delays may become longer and ultimately the problem will arise in many cases: who will be the loser if the peso should be devalued?

A Monetary Division of the World Into Four Groups

We may divide the system of currencies in the world of today into four groups:

(1) The area of hard currencies — freely convertible and stable currencies (with minor fluctuations of rates of exchange).

(2) Area of unstable currencies, but with freedom of exchange.

(3) The area of soft currencies —with foreign exchange controls and limited convertibility.

(4) The area of the East bloc—totalitarian controls of foreign exchange and foreign trade.

The borderlines between these groups are not a fixed frontier but steadily shifting.

It is true that the area of free convertibility has greatly increased since the end of the war. We may expect further enlargement of this area . . . especially in Europe, where most countries have introduced free convertibility for external accounts, but not yet free convertibility for residential accounts. Such countries, especially of the Sterling bloc, may also make their currencies freely convertible. But this will not happen this year and may be delayed further. Yet, in Europe convertibility has progressed more than in Latin-America or South-East Asia. In Africa, new areas of controls arise for countries which heretofore were attached to areas of convertibility for non-residential accounts. New systems of foreign exchange controls are being organized in countries which used to belong to areas of convertibility for non-residential accounts. In Latin America, free convertibility exists even for countries with unstable currencies.

Towards Free Convertibility

In many countries free convertibility has been introduced despite the fact that these countries have unstable currencies, are under inflationary pressures and subject to balance of payment difficulties. This means that their foreign exchange reserves (gold or foreign exchange) are shrinking or might have been depleted. Such countries may use a system of foreign trade controls . . . as a substitute for the system of foreign exchange controls. In Brazil, for instance, inflationary pressures still continue. There may be new balance of payments difficulties. But the government relies on import restrictions in order to control its new foreign commercial payments. At the same time there exists a free foreign exchange market where foreign exchange can be freely bought or sold at the free market rate.

Whenever a country has restrictions on the transfer of funds, it is necessary to make sure in which type of currency funds one will be paid. Of course, payment in freely convertible funds is always preferable. But it would be false flatly to refuse payment in other categories of accounts. Such a refusal is justified only if such accounts cannot be transferred at all and are completely blocked, and it is uncertain when a transfer will be made and at which rate of exchange. Whenever such funds may be used for internal payments or investments, it is in most cases possible to find a buyer of such funds who will pay you hard currency funds or dollars—of course, at a discount or less than the official rate of exchange. It is necessary to find out in advance that such transactions are legal so as to avoid any embarrassment in future relations with that country. Payment in domestic rupee accounts for imports into India are a practical example.

Towards New Foreign Exchange Controls

It is quite possible that countries with free convertibility will reintroduce restrictions on convertibility.

Foreign traders may get a timely warning about pending transfer restriction in many cases. They may derive such risks from shortages in foreign exchange reserves, perpetual deficits in balance of payments or from the political instability of the country or the emergence of governments which will be subject to inflationary pressures and excessive spending of foreign exchange reserves.

Even hard currencies of countries with a record of free convertibility may introduce foreign exchange controls or restrictions on foreign payments and transfers. This will happen, for instance, in case of war or other emergency situations which may provoke a sudden flight of capital or transfer of funds on a scale which depletes all foreign exchange reserves.

Even the dollar is no longer above suspicion of a convertibility crisis. The cumulative effect of a balance of payments deficit of the U. S. and a run-down of foreign exchange reserves to a level where the U. S. Government will feel the need to act, perhaps by refusing to sell gold, has been a major topic in the foreign financial world. We may be sure that this danger will not be acute in the immediate future. Of course, in case of new armed conflicts, foreign accounts will again be blocked and transfers will again be restricted . . . more severely than during the last war. But even Swiss bankers have become aware of the fact. There is no substitute for the dollar, which is used as a secondary reserve by foreign central banks. If the dollar fails to play its role as the world's key currency, then the entire system of international finance and foreign exchange as it exists now will disintegrate, perhaps into manifold regional systems, with emergency solutions for individual areas and countries. It is not advisable and not feasible to act now because such a development will perhaps occur sometime in later years.

Creeping Inflation Prospects

But there is the problem of creeping inflation. There is no currency in the world which has not been subject to this process during the last 50 years. Real stability of the value of a currency can no longer be measured in terms of the price of gold, for gold has ceased to be the regulator of monetary values and real gold currencies no longer exist.

The exchange value of a currency may be measured in terms of gold or of its buying power or in terms of another key currency, for instance, the dollar. Most leading currencies during the last decade have remained stable more or less, with very few exceptions. Yet creeping inflation has reduced the buying power of all currencies — more or less, with variations which do not justify a change of foreign exchange rates.

The dollar has lost its domestic buying power during the last two decades (1938-1959) most of the time at a rate of about 2-2½% annually. But this is an average figure which does not tell the whole story and it would be unwise to draw mechanical conclusions from past experience. This applies also to the international exchange value of the dollar.

During the last two decades inflationary pressures were stronger in most countries outside of the United States than in the U. S. There were a series of devaluations of foreign key currencies including the British Pound, the French Franc and the D-Mark towards the dollar.

I do not believe that the above experiences will recur. This time, the dollar will be as much under inflationary pressures as other Western key currencies.

If the U. S. should decide again to devalue the U. S. dollar in terms of gold or increase the price of gold, most foreign countries, including the U. K., would also change the gold content of their currencies accordingly and see to it that their currencies would have the same exchange value in relation to the U. S. dollar as before. We do not expect such an action in the forseeable future or during the next three years. Yet, one cannot ignore the following facts:

Wherever the debt structure of the government and also of the private economy becomes too heavy, the "dead hand of the past" becomes a heavy financial burden which requires excessive taxation. The authorities will find it increasingly difficult to use the resources of the capital market sufficiently. Such conditions are favorable for the growth of inflationary forces. This applies especially to a situation where the government seizes a major part of the national income to finance its largely unproductive expenditures. These financial requirements will not shrink if a downward trend of the "business cycle" should lead to a temporary shrinkage of the national income and therefore also to an increased need for deficit financing.

Therefore the U. S. will have a presistent inflationary problem. Her debt structure is heavier, absolutely and relatively, than in other leading Western countries. The same applies to the need for financing an especially heavy defense system on a world-wide scale (including foreign economic aid). Consequently, inflationary forces will probably be as strong, or stronger, in the U. S. than in other leading Western countries during the next decade, contrary to the development during the last two decades.

But we should also consider the fact that the U. S. dollar is a world-currency. It is used as a "secondary reserve" in addition to gold by most Central Banks. They have a vested interest in the stability of the U. S. dollar, and they will cooperate with the U. S. to avoid any undue external pressure on the stability of the dollar. The dollar could not be used by Foreign Central Banks and also private banks as a "secondary reserve" or for short term investments of liquid funds if there were serious doubts about the stability of the U. S. dollar in the immediate and forseeable future.

Future of the Price of Gold

The price of gold may be held stable even if the inflationary spiral should start again. The U. S. price for gold is a political price and does not necessarily reflect the monetary stability.

The price of gold can be raised only with the approval of Congress and Congress will not vote for an action which would not be in the interest of the U. S. Popular sentiment is against inflation and against a change of the gold price. The "gold lobby" in Washington is without real influence.

The time will come when the gold price will be raised. But as explained above, it is most unlikely that this will be seriously considered during the next three years.

The outflow of gold from the U. S. has reduced U. S. gold reserves at a rate of about $2.2 billion in 1958. U. S. gold losses amounted to slightly more than one billion dollars in 1959. In 1960, however, the balance of payments of the U. S. was expected to recover sufficiently to avoid a further outflow of gold. This estimate may be too optimistic. It was based on the assumption that the balance of payments deficit would shrink from $3 to $3.5 billion in 1959 to $2 billion in 1960. Actually the 1960 balance of payments deficit will probably be closer to three than two billion dollars. Furthermore, it was also expected that the private dollar funds held by foreign banks etc. in the U. S. would increase rather than decline. A major outflow of short-term funds held by foreigners would necessarily mean that foreign Central banks would have to absorb the additional supply of dollar funds and would have to increase their dollar holdings. The Central Banks usually convert a certain portion of their additional dollar holdings into gold.

Actually, the rate of interest differential has made private European holdings of liquid funds in the U. S. uninteresting. Higher rates of interest in West-Europe and lower rates in the U.S. have encouraged a return flow of funds from New York to London, Frankfurt etc. Yet, foreign funds held in the U. S. have risen considerably, but the share of funds held by Central banks has greatly risen, while private foreign dollar holdings have declined. Total short-term dollar holdings have risen to an amount of $16.8 billion (end of May, 1959) against $16.1 billion at the end of 1958 and $15.15 billion at the end of 1957. The "net short-term foreign indebtedness" of the U. S. (short-term liabilities to foreigners reported by U. S. banks minus short-term liabilities to foreigners reported by U. S. banks) has increased during the same periods to $16.87 billion against $16.70, $13.61 and $12.96 billion.

We do not consider the inflow of these funds necessarily as proof of confidence in the future of the dollar. The inflow was largely due to high rates of interest, and also to the cooperation of foreign Central banks which have to consider, too, that payments of interest are received for dollar, and not for gold holdings. The very fact that the U. S. balance of payments had to be supported by a large-scale inflow of foreign short-term funds also creates a source of potential danger. A "run on the dollar" may occur in case of an event or a development which creates serious fears of a one-sided dollar devaluation.

Such possibilities should not be exaggerated. Most foreign short-term holdings in the U. S. are owned by Central Banks which are interested in avoiding a special dollar crisis as much as they must defend the stability of their own currencies. Only an extraordinary foreign political event (for instance, in the Far East) may shake the confidence in the dollar among foreign fund-holders seriously. In such a case, the U. S. authorities would act swiftly.

It is not generally known that the U. S. Treasury is not obligated to sell gold to (or buy gold from) foreign central banks or the International Monetary Fund. There is an agreement between the U. S. Treasury and the I. M. F. whereby the former will buy and sell gold at the official rate. But agreements with the I. M. F. may be suspended without a special act of Congress.

Long Era of World Monetary Stability or . . . ?

Some prominent monetary policy makers especially in leading international financial institutions claim that we are now entering a long era of currency stability, without further creeping inflation. After 30 years of creeping inflation we may now enter a period of 30 years of real monetary stability. When I discussed this 30 years of creeping inflation this prospect with the top executive of an international monetary institution who is a firm believer in 50 years of world monetary stability I pointed out that such a prospect could become feasible only

under world conditions which are not likely to be fulfilled:

(1) An East-West agreement which will create an atmosphere of peace and which will make it possible to cut armaments expenditure drastically.

(2) Stable governments which can resist the pressure of domestic groups or forces seeking to make monetary policies subject to politics and to use inflationary means for political purposes.

(3) Restrictions on monopolies including state monopolies which raise price and costs with the effect of a general rise of cost and price levels.

It is unlikely that such conditions will exist in our time, though we are hopeful and may believe that another major war will be avoided. It should, however, be noted that the latest war scare has resulted in new movements of flight capital from political risk areas. These funds went mainly to two countries—Switzerland and the U. S. Areas of accelerated and even run-away currency inflation may widen again. One of the most immediate neighbor countries of the U. S.—Cuba, is now starting an inflation which may reach a run-away stage quite soon. Other countries with unstable currencies are: Bolivia, Brazil, Cuba, Egypt, Indonesia, Israel, Philippines, Syria, Canada, New Guinea.

Hedging Against Currency Depreciation

How can you protect yourself against currency depreciation?

It would be foolish to seek protection against creeping inflation by hoarding gold. Those who followed such advice during the last 30 years have paid dearly for it. Hoarding of gold is expensive. It costs at least 1% annually. In addition gold does not earn any return. At the rate of 5% interest, per annum a loss of 50% or more would have to be calculated after 10 years plus another 10% for hoarding charges. This would eat up the benefit from a potential increase in the gold price.

Long term investors may seek protection by making investments in values which will appreciate sufficiently in order to compensate for any currency devaluation. A flight movement into currencies which appear to be more stable than the old currencies is justifiable only if there is an immediate danger of currency devaluation or of currency restrictions which limit the use of funds too much. But in such a case it is also feasible to hedge by using the market in foreign exchange futures. This should be done in all foreign commercial transactions where payments in foreign currencies are expected and foreign exchange risks exist. Even transactions in foreign currencies which are relatively stable, for instance in sterling, should be covered by buying or selling foreign exchange futures. These currencies may fluctuate only to a small extent but these fluctuations greatly effect net returns for large industry. Most countries are members of the International Monetary Fund which authorizes fluctuations of the foreign exchange rate of member currencies of 1½% or ¾% above and below parity. There are exceptions, especially in the case of Canada, which has no fixed parity and where fluctuations of the rate may be for more than 1½%.

Other possibilities of protection against foreign exchange risks in commercial transactions exist. One may have to finance an importer abroad or one's own foreign subsidiary in order to enable imports to take place. One may have to provide foreign currency funds for such a purpose. In such a case the currency risk ought to be eliminated. This may be done by selling the foreign currency for delivery at a lower rate. One may also arrange a "Swap" deal. This is often done in order to finance the importer of the subsidiary in countries like Brazil or Argentina or Uruguay. In such a case you arrange with the foreign bank and, in many cases, even with the National Bank of the foreign country, as follows: You make available a certain amount of dollars to the foreign bank which, in turn, will provide a corresponding amount of foreign currency funds to a designated party for a certain period of time. At the end of the agreed time the foreign local currency funds will be paid back to the bank abroad and the bank will return the dollars to you. Of course there will be interest charges for the local currency credit abroad and you may not get any interest for the dollars you gave to the bank for a fixed time.

Currency Futures Offer Little Protection

It often is not possible to get protection against foreign currency risks by selling foreign exchange futures at the market rate. The list of regular markets in foreign exchange futures is quite limited. Possibilities for the forward sale or purchase of foreign currency funds for which there is no regular market should be checked in each individual case. In such a case, it is advisable or even necessary to find out which foreign exchange firm is specialized in dealings in those currencies and to discuss the possibility of a forward deal.

In urgent cases where protection against currency risks by selling foreign exchange futures is not possible you should investigate possibilities to borrow local funds in the currency which may be devalued, and use such funds in order to acquire assets which will appreciate in case of devaluation of the local currency. Costs of such local credits may be excessive. The cost and time factor certainly has to be considered.

Trading in Foreign Exchange Futures

The following is a list of currencies for which a regular market in futures exists in New York.

Trading in Foreign Exchange Futures — 1960

Regular Active Markets

Sterling	Holland
Canada	Italy
Belgium	Mexico
France	Sweden
West Germany	Switzerland
Austria	

Irregular Trading Markets

Australia	Hong Kong
Argentina	Malaya
Brazil	Norway
Colombia	Union of South Africa
Denmark	Uruguay
Venezuela	

A final observation: I may quote ten currencies which are subject to an inflationary process which will probably result in devaluation and none of them has a market in foreign exchange futures.

Ten Unstable Currencies Without A Market in Foreign Exchange Futures:

Bolivia	Israel
Ceylon	Korea
Cuba	Philippines
India	Tunisia
Indonesia	Turkey

A special case is Canada where a substantial drop of the rate of exchange is feasible. After having reached a premium rate of over 5% to currently about 2%, the rate may decline below par. Of course, it is possible to seek protection against foreign exchange risks in Canadian dollars because an active market exists in Canadian dollar futures.

*An address by Mr. Reimann before the Institute of International Trade, University of Illinois, Monticello, Ill.

E. W. Saunders Opens

BOZEMAN, Mont. — E. Wilbur Saunders is engaging in a securities business from offices at 509 South Tracy.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Southern Nevada Power Company

Southern Nevada Power is a small (revenues $9 million) but rapidly growing utility serving electricity to Las Vegas and neighboring cities in Nevada. Revenues are now nearly six times as large as in 1949 and net income about four times as great. While share earnings have been somewhat irregular they have shown a good growth trend with an increase from $1.23 in 1956 to $1.82 in 1959 and an estimated $2.10 for 1960.

Las Vegas, the largest city in Nevada, has a population of 53,000 and is the gateway to the Hoover Dam and the Lake Mead recreation areas. The famed Las Vegas Strip with its multi-million dollar resort hotels and top show attractions, and the Nevada Test Site where atomic bombs have been fired, are leading tourist attractions. A new six million dollar convention hall was completed last year, and Las Vegas has already become one of the leading convention cities. Other operations in the area are the Atomic Energy Commission, the Hoover Dam hydro station, and industrial development at the former Basic Magnesium plant.

The company derives about 7% of its revenues from resort hotels and casinos and if gambling should be outlawed the temporary revenue loss might go even higher. However, tourism, industry, the military and nuclear research are other sections of the foundation on which the area's economy rests. Last year the Lake Mead Recreational Area was visited by 3.3 million people who enjoyed the bathing beaches, boat landings, and camping trailer sites. Important electro-chemical and electro - metallurgical enterprises are located in Henderson, only a few miles from Las Vegas, including Stauffer Chemical, Titanium Metals Corp. of America, and American Potash & Chemical. Moreover, Nevada has the needed raw materials, water, fuel, power, favorable tax laws and proximity to the huge Southern California market to attract other industries.

The growth of Las Vegas is described by the company as follows: "The 53 years that have passed since our company brought electric power to the little town of tents and shacks that was early Las Vegas, have produced astonishing changes. What was then a town at the end of a railroad, lighted by smoky oil lamps, is today a cosmopolitan community illuminated by what has been called the most spectacular and intensive commercial lighting in the world."

Before 1953 the company obtained all its power requirements from Hoover Dam. Rapid increases in demand, and low precipitation in the Colorado River water shed (causing the level of Lake Mead to drop) forced it to purchase substantial blocks of steam-generated power in 1954-5. The company's first steam generating unit was placed in operation early in 1956 and a second was added in 1957, making the company virtually independent of outside sources of power, though inter-connections were still maintained. In 1959 the company generated two-thirds of its needs and purchased the rest, mostly from Hoover Dam.

System capability today is 220,000 kw (including 100,000 kw which can be drawn from Hoover Dam) compared with 1959 system peak demand of 185,000 kw.

Construction was begun early this year of a third unit at Clark Station; this 70,000 kw addition is expected to cost about $9.5 million and is scheduled for operation in July 1961, raising system capability to 290,000 kw. The company now has ample facilities to take care of its needs, hence later construction can be limited to new units every three or four years.

The company did little public financing through 1953, control being closely held. In 1954, when the present management assumed control and construction started on the first generating unit, it became necessary to sell securities. During the past six years $30.4 million has been spent for construction, of which $10.6 million was generated internally and $19.8 million by sale of bonds, debentures and stock.

Despite the fact that a substantial proportion of electric requirements must now be obtained from steam, the company's residential rates continue to rank among the lowest in the country, averaging only 1.24¢ per kwh or less than half the national average. Reflecting heavy air conditioning and heating loads, annual residential usage is now about 10,782 kwh or some three times the national average. The company has been very successful in promoting the use of heat pumps and the bottom block in its residential rate schedule is only 6½ mills for usages over 500 kwh—at which rate it is cheaper for the customer to have an all-electric home rather than use both electricity and gas.

It may prove necessary for the company to request a rate increase in 1961 because of rising fuel costs and larger plant investment (the company has a fuel clause only in its industrial rates). The management believes that a rate increase application to the state commission at that time would be justified and would be favorably considered. Nevada is considered a "fair value" state.

Per share earnings last year were $1.82 compared with $1.54 in the previous year, a gain of 19%. Net income in the first quarter of 1960 reached a new high and for the 12 months ended April 30th earnings were $2 per share. Revenues this year are expected to show a gain of 10% (having been aided in the first quarter by abnormally cold weather) and should continue to make a good showing at least through August of next year. Earnings for calendar 1960 are estimated by the management at $2.10 or better, a gain of 15%.

In the earlier part of the past decade dividend payments were nominal as the owners were more interested in capital gains. In the past six years, with the stock in the hands of the public, about 55% of earnings have been paid out, and present policy is to pay out about 60%.

The stock has been quoted over-counter recently around 42-5. Using a price of 43 the yield, based on the current indicated dividend rate of $1.10, is 2.6%. The price-earnings ratio, based on the recent $2 earnings, would be 21.5. The latter would compare with an industry average around 18.

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

The Chase Manhattan Bank, New York, has applied to the New York State Banking Department and the Federal Reserve Board for permission to open a branch office in Massapequa Park, Nassau County.

Earlier this month the bank applied for permission to open two other branches in Nassau County—in Great Neck Plaza and Plainview.

* * *

George J. Cunningham, Officer in charge of the Woodside office of **Manufacturers Trust Co., New York,** has been appointed an Assistant Vice-President of the bank, it was announced today by Horace C. Flanigan, Chairman of the Board.

Mr. Cunningham began his banking career in 1930 and joined the staff of Manufacturers Trust Company in 1936, and was assigned to its 39th Street (Manhattan) office. After having been assigned to various banking offices of Manufacturers Trust Co., he was appointed an Assistant Secretary in 1952, and has been in charge of its Woodside Office since 1953.

Appointments of F. Brian Quinlan and Eugene Robert Conway as Assistant Secretaries was also announced by Mr. Flanigan.

Appointment of Michael V. Levonas, John F. McGillicuddy as Assistant Vice-Presidents has also been announced by Mr. Flanigan.

* * *

Manufacturers Trust Company, New York, announced that it will open its 118th banking office on Saturday, July 30 at 19-19 Francis Lewis Boulevard, near Clearview Gardens Development, Whitestone, New York.

Walter M. Sarosy will be the officer in charge.

* * *

Chemical Bank New York Trust Co., New York, has appointed Harold W. Comfort to its Advisory Committee to the Board and Stanley T. Crossland to its Advisory Board on International Business, Chairman Harold H. Helm announced.

Mr. Comfort is Trustee of the **Dollar Savings Bank of the City of New York.**

Five Assistant Secretaries were also appointed it was also announced by Mr. H. Helm. They are: Henry Gerke, George L. Major, Jr., R. Bergen Van Doren, William Kennedy and Harry J. Robinson, Jr. Messrs. Gerke, Major and Van Doren, former Assistant Managers, are with the bank's Metropolitan Division. Messrs. Kennedy and Robinson are associated with the bank's National Division.

* * *

The election of Dr. Adolf W. Jann and Dr. Oskar Loehr to the Advisory Board on International Business of **Chemical Bank New York Trust Company, New York** was announced by Harold H. Helm, Chairman.

* * *

George W. Mills, Jr. has been appointed an Assistant Vice-President and Manager of The Credit Department of **The Gotham Bank, New York,** George J. Gross, President, announced Aug. 1.

The New Assistant Vice-President has held posts with the **Industrial Bank of New York** and the **Irving Trust Company, New York.**

* * *

Herbert J. Deitz, and George L. Livingston, have been elected Directors of the **Commercial Bank of North America, New York,** Jacob Leichtman, President, announced.

* * *

Controller Ian D. Smith and Assistant Vice-President Thomas E. Walsh, of the **Dollar Savings Bank of the City of New York,** have been elected Vice-Presidents.

* * *

Mr. Dirk L. de Leur has retired from the **Nederlandsche Handel-Maatschappij, N. V., New York** office active service as of March 1. However, as an Advisor to the agents, he remains connected with the bank.

Mr. P. Wouda, Inspector, has temporarily been acting as Agent, and Mr. Dirk N. Hooykaas has been appointed Agent. He assumed his duties starting Aug. 1.

As of now, representatives of the bank are:

Cornelis J. Stikkel, Dirk N. Hooykaas, Agents; Willem C. Barnouw, Sub-Agent and Michael Pam, Chief Accountant.

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The Vice-President, Secretary and Trustee of the **Hamburg Savings Bank, Brooklyn, N. Y.,** Adam G. Muller, died July 27 at the age of 63.

* * *

Mr. Richard B. Loomis, President of the **South Brooklyn Savings Bank, Brooklyn, N. Y.,** has announced the election of David C. Dalziel as Senior Vice-President. At the same time Phillip Coombe was named Vice-President and Mortgage Officer. Mr. Dalziel has been with the bank for 34 years and was formerly a Vice-President and Mortgage Officer. Mr. Coombe has been with the bank for 28 years.

* * *

Mr. Herman H. Maass, President of the **Security National Bank of Long Island, Huntington, N. Y.,** has announced that the bank will open a branch at Shirley, L. I., on August 13.

* * *

The Hartford National Bank and Trust Company, Hartford, Conn., has absorbed the **Essex National Bank, Essex, Conn.,** with common stock of $100,000, which has gone into voluntary liquidation by a resolution of its shareholders dated July 11, effective as of July 18.

* * *

THE FIFTH THIRD UNION TRUST COMPANY, CINCINNATI, OHIO

	June 30,'60	Dec. 31,'59
Total resources	$339,129,374	$371,010,071
Deposits	300,846,890	334,776,132
Cash & due from banks	70,099,169	95,532,592
U. S. Govt. security holdings	65,056,415	75,155,533
Loans and discts.	183,584,779	179,796,387
Undivided prof.	7,541,490	6,790,084

* * *

Elected Vice-Presidents of the **New Jersey Bank & Trust Co., Paterson, N. J.,** were Herbert G. Wenzel and Everett B. Muh.

* * *

Arch S. Jeffery has been appointed Vice-President in the Trust Department of **Mellon National Bank and Trust Company, Pittsburgh, Pa.,** Frank R. Denton, Vice-Chairman of the bank announced.

Mr. Jeffery started his banking career with **The Union Trust Company of Pittsburgh.** He joined **Mellon Bank** in 1946, at the time of the merger of **Union Trust and Mellon National Bank and Trust Company.** In 1941, he was appointed an Assistant Secretary and in 1954, an Investment Officer. In June of 1957, he was named Assistant Vice-President in the bank's Trust Department.

Lu Van Leer Brown, Jr. and William L. Fouse have also been appointed Assistant Vice-Presidents in the Trust Department.

Thornton H. Hough and David J. Smith have also been appointed Assistant Cashiers in the Administrative Office

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The Citizens National Bank of Evans City, Evans City, Pa., has increased its common capital stock from $150,000 to $190,000 by a stock dividend, and from $190,000 to $250,000 by the sale of new stock, effective July 19. (Number of shares outstanding — 12,500 shares, par value $20).

* * *

John P. Weaver has been appointed Assistant Cashier in the International Banking Department of **The National City Bank of Cleveland, Ohio,** John S. Fangboner, President, announced July 28.

* * *

The consolidation of the **First National Bank and Trust Company in Steubenville, Steubenville, Ohio,** with common stock of $1,475,000 and the **Peoples Bank of Tiltonsville, Tiltonsville, Ohio,** with common stock of $50,000 was made effective as of the close of business July 15. It was effected under the charter and title of **The First National Bank and Trust Company in Steubenville,** with capital stock of $1,353,000 divided into 153,500 shares of common stock of the par value of $10 each.

* * *

The merger of the **Harris Trust and Savings Bank, Chicago, Ill.** and the **Chicago National Bank, Chicago, Ill.** has received the approval of the Federal Reserve Board under the new Federal law known as the Bank Merger Act. The proposed merger and agreements were given in the July 21st issue of the *Chronicle* page 278.

In announcing this approval, Kenneth V. Zwiener, President of the Harris Bank, indicated that the physical merger of the two banks will be consummated on Oct. 24 as originally scheduled.

* * *

Charles G. Scribner has been named an Assistant Cashier by **Public Bank, Detroit, Mich., it is announced** by Joseph F. Verhelle, President.

* * *

Eliot G. Fitch, President of the **Marine National Exchange Bank, Milwaukee, Wis.** announced that Arthur Saltzstein joined the Bank Aug. 1 as Vice-President and Trust Officer.

* * *

By a stock dividend, **The First National Bank, Iowa City, Iowa,** has increased its common capital stock from $200,000 to $400,000, effective July 20. (Number of shares outstanding—16,000 shares, par value $25).

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The Board of Directors of **The Bank of California, San Francisco, Calif.** has appointed Robert A. Mullin Assistant Manager at the Bank's Sacramento office, Edwin E. Adams, President, announced.

* * *

The appointment of George C. Briggs, Jr. to Director of Advertising and Publicity for California Bank, Los Angeles, California, was announced by Frank L. King, Chairman of the Board.

Mr. Briggs succeeds Robert V. Daly who has resigned to enter another field of business.

* * *

The appointment of Mr. Harry Randall to the post of an Assistant General Manager of the **Bank of Nova Scotia, Toronto, Canada** has been announced. Mr. Randall had been Assistant to the President of the Bank, Mr. F. W. Nicks.

Mr. Charles W. Jameson, formerly chief accountant, succeeds Mr. Randall as Assistant to the President.

The Bank also announced the appointments of Mr. A. MacLean as Comptroller, and Mr. C. E. Ritchie as Chief Accountant. Mr. MacLean had been in the supervisor's department in Vancouver and Mr. Ritchie has been an Assistant Manager in Toronto.

Public Opinion—Achilles Heel Of U. S. Business Overseas?

By Charles E. Allen,* *Vice-President, International Operations, Hill and Knowlton, Inc., New York City*

It is not only the extremes of Castro but the underlying fears about American business held in such countries as Germany, France and Canada that requires top—and not secondary—management's full support of an effective public relations program abroad. With complete candor, Mr. Allen explores public opinion and public relations problems affecting American business abroad—particularly for the new firms—without a favorable reputation; suggests what can be done by top management; agrees that measures recommended should not be subordinated to other considerations of equal or perhaps greater importance to management; but warns management must know what it is doing as many do not yet recognize the seriousness and importance of the problem in terms of even their own self-interest.

Fidel Castro is a painful reminder of the power of public opinion to damage U. S. business interests abroad. The Castro regime has used "Yankee imperialism" as a popular devil to strengthen its support among the Cuban people. And Cuban public, showing little understanding or appreciation of American business, has largely applauded the government's actions in taking over U. S. enterprises. It might be comforting to chalk off the Cuban situation as an isolated development, an unavoidable revolutionary explosion. But there are abundant signs of incipient Castroism elsewhere in Latin America and in other underdeveloped areas of Asia and Africa where U. S. business has substantial investment. Moreover, there is disturbing evidence that American business has real public opinion problems even in highly industrialized countries which have close political, economic and cultural ties with the United States.

The tremendous influx of U. S. business into the European Common Market, for example, is generating serious concern among European public opinion. A survey of public attitudes toward American business in France and Germany, completed last year by Opinion Research Corporation, disclosed the following:

That 58% of the French opposed encouraging U. S. companies to locate plants in France; only 24% favored it. In Germany such American investment was opposed by 49% and only 19% supported it.

This surprisingly strong public opposition contrasts sharply with the official policies of the French and German governments which, along with other European governments, are actively encouraging further American investment.

But it is not difficult to understand the reasons expressed in the survey by those opposing the entry of more U. S. business. Both French and Germans emphasized the fear that increasing foreign competition would hurt their domestic industries in home markets, and that foreign capital might ultimately control important sectors of their national economies.

How Strong Is Protectionist Sentiment in Such Countries?

Underlying fears about American business are germinating strong potential support for discriminatory measures. The Opinion Research Corporation survey showed:

That 91% of the French would favor forcing foreign companies to invest a major part of their profits made in France in government housing programs and similar public welfare projects. In Germany, 77% would support the same requirement.

That 71% of the French and 66% of the Germans would make foreign companies pay a special tax on profits or dividends taken out of their countries.

That 77% of the French and 73% of the Germans would insist that foreign subsidiaries in their countries be at least half owned by local capital.

The same apprehension and bias concerning U. S. business exists, in even more pronounced form, in Canada—our next-door neighbor and largest trading partner. Sizable American investment in major Canadian industries has caused serious public concern about control of the Canadian economy passing into U. S. hands. This is a public opinion problem of real magnitude—for the issue of "U. S. economic domination" has been aired, often acrimoniously, in the Canadian press for the past decade; studied by a Royal Commission and several Canada-U. S. business groups; debated in Parliament; featured in Canadian election campaigns, and invoked in official representations by the Canadian Government to the U. S. Government.

All these examples could be multiplied many times, for there is abundant evidence that U. S. business has substantial public opinion problems throughout its foreign operating areas. These problems fall into at least five general categories:

1. The general fear that large and aggressive American companies are displacing and eventually will take over domestic industries.

2. The suspicion that U. S. companies are exploiting the economies of other countries for the benefit of American management and stockholders, rather than for local employees and citizens.

3. The feeling that U. S. companies exert political influence for preserving the *status quo,* and thereby frustrate popular demands for economic and social progress.

4. The resentment about high-pressure U. S. business methods, especially in some forms of consumer advertising and sales promotion, which foreigners fear is vulgarizing popular tastes and "Americanizing" their traditional cultures.

5. The widespread criticism that many U. S. companies and their personnel do not assimilate well with foreign communities — that most Americans sent abroad do not understand or appreciate local customs, do not know or try to learn the language, and remain aloof from the local community.

Is U. S. Business Dealing Effectively With These problems

Some American companies are obviously doing a good job in dealing with public opinion in their foreign operating areas. But most companies appear to be neglecting the public opinion situation or merely paying lip service to it.

The comparatively few U. S. companies practicing good public

relations abroad are mostly experienced international operators. These are companies, such as the major petroleum firms, that have long had substantial stakes in other countries. Even so, some of the big oil companies had to learn the importance of public opinion the hard way—by discriminatory treatment or even expropriation.

But the great majority of American companies still have not learned the importance of public opinion to their overseas interests—either the hard or the easy way. Many of these companies are comparative newcomers to the international scene and are so preoccupied with problems of organization, manufacturing and marketing that their managements simply have not gotten around to the seemingly secondary matter of public relations. And there are other companies, some quite large and long active in international business, that have developed substantial public relations operations in the United States but virtually nothing overseas.

What Are the Defects of Most U. S. Public Relations Activities Abroad?

Although many companies may consider that they are giving appropriate attention to foreign public opinion, most American public relations activities abroad suffer from several important defects:

1. Lack of clear public relations policy. A great deal of improvised and chaotic "fire fighting" is going on because most companies have not adequately analyzed their basic public opinion problems and determined what should be done about them and who should do it.

2. Over-reliance upon line management to cope with the intangibles and complexities of public opinion. Nationals in line management usually have little knowledge of public opinion and communications techniques. Americans generally lack sufficient knowledge of the foreign environment, and often fail to adapt U. S. public relations techniques to the different conditions prevailing abroad.

3. Underrating the public relations function. When an American company does employ qualified international public relations assistance, it often inhibits effective performance by burying the operation deep in secondary management. Excessive decentralization compounds this difficulty by breaking the public relations function into isolated national compartments.

4. Over-dependence on marking techniques, especially product advertising and publicity, to deal with public opinion matters. This confuses two quite different problems—the selling of tangible products to customers; and the explanation of the company itself to the citizenry. The citizenry is interested in, and often worried about, many things besides the company's products—such as the company's impact on the local economy, its policies for developing local managerial talent, and its contributions to the country's economic development and social progress. These are not items that an American company can "sell" to the local citizenry, but questions that are best answered by responsible corporate behavior which is effectively communicated to the public.

5. Talking too much, and not listening enough. Most American companies abroad are using only "one-way" communications, concentrating on information that management wants to get over to the public. But there are often substantial differences between what the company is interested in saying and what the public is interested in hearing. Without "two-way" communications, people grow tired of just being talked at —but not listened to—and simply

Continued on page 24

Maine Requires Courage and Gumption of Advertising

By Roger W. Babson

Hardly one to sit around when summer visiting, Mr. Babson critically examines Maine from head to toe. Maine, he finds, is not doing enough to advertise its potatoes and to help the manufacturers of paper products. And he commends Maine to young people who want an independent business.

It has been my custom to spend a part of each summer visiting a different section of the country. This summer I have chosen the State of Maine. I have been truly astounded by its size, its coastline, and certainly its natural resources.

Potato Industry

Through the compliments of the able President of the Bangor & Aroostook Railroad, Mr. W. Gorden Robertson, I have been able to travel through the approximately 150,000 acres of growing potatoes. The plants were in full bloom with their white blossoms when I took the trip, and I was able to talk with some of the industry. The potato growers are more than "just farmers." They are progressive businessmen who are constantly seeking new varieties of potatoes and attempting to improve the quality of the crop. The best potatoes are marketed, while the small ones are used for producing frozen "french frieds," pre - mashed potatoes, starch, and other by-products.

When you eat a finely flavored meally potato, you have no idea of the patience, brains, and hard work which have been put into raising the potato. Apparently the only thing which Aroostook County cannot control is the rainfall, which may be too much, or too little, or occur at wrong intervals. I understand that the two reasons why Idaho potatoes are such a strong competitor to Maine potatoes is because the Idaho potato growers use considerable irrigation and freely spend money on advertising. Maine people need education on the value of advertising.

University of Maine Agricultural Department

Preceding my trip through Aroostook County I spent several hours with Dean Winthrop Libby, who probably knows more about potatoes than anyone in Maine. He explained that the potato is really a part of a stem, and not a seed, or a bulb, or a root. In fact, the tiny potato seeds which come from the blossoms are of no use to the industry. As most readers know, new potatoes are obtained by cutting an old potato into several pieces, each containing one or two "eyes" which develop sprouts and give us the new potatoes.

Dean Libby's wife, who was a teacher of Home Economics, says that the perfect menu from a dietician's standpoint is a potato with a piece of butter thereon, a glass of milk, and some orange juice or fruit. Furthermore, the potato contains only 20% starch compared with 40% in bread and 60% in rice—hence it is really a food for reducing, rather than being fattening. Maine is very backward in not advertising this.

The Paper Products Industry

I am told that 90% of the great State of Maine is covered with growing timber; also that this timber is growing faster than it is being cut and used. I was astounded to stand at the Searsport terminal of the Bangor & Aroostook Railroad and see a ship 400 feet long loaded with newsprint made from Maine trees by the Great Northern Paper Company. There, however, are several other paper mills in Maine. Your newsboy probably delivers to many of you each day State of Maine newsprint; and even the books which you read and your telephone directory might well have been printed on paper made by Maine mills. Maine is also benefiting from the growth in packaging of almost everything sold in supermarkets, as well as from the increase in use of cartons and boxboards. These products, however, are suffering from lack of proper advertising.

The State of Maine is doing very little to help the manufacturer of these paper products. This especially applies to newsprint, which is absolutely dependent upon newspaper advertising. Radio and television advertising and the beautifully colored magazine advertisements are all indirectly aided by the Federal Government; but the State of Maine is doing nothing to increase newspaper advertising, the promotion of which is left to individual newspapers. Yet, the State of Maine is largely dependent upon the advertising which the newspapers of the country—yes, and of the world—carry. As newspaper advertising increases, the number of pages of newspapers increases and the demand for newsprint increases. Inversely, as the number of pages of newspapers decreases, the demand for newsprint decreases proportionately. Furthermore, the continued prosperity of this nation depends upon increased use of newspaper advertising. I only wish the Legislature of the State of Maine would realize its responsibility in helping to build our nation's prosperity by stimulating newspaper advertising.

Opportunities for Young People

There are numerous small industries which should attract young people to Maine. Unfortunately, too many young people are leaving the State. This sad fact, however, furnishes more opportunities to young people from other states to come to Maine and start a small business. There are in Maine small woolen and other textile mills, shoe factories, lobster and other fishing and canning facilities, and possible forms of mineral extraction. The field of recreation also holds many opportunities for starting a small independent business. Maine's surplus of water power makes for reasonable electric rates; its freedom from state income taxes allows reasonable operating costs; while its labor situation is especially favorable. The efficiency of the workers is to be commended. Maine people are instinctively religious and conscientious. They are anxious to give a day's work and are naturally ingenious.

For young people who want an independent business, I especially recommend that they visit Augusta, Maine and see the Department of Economic Development, or Dr. Robert G. Doyle of the State Geological Department. I especially commend the good work of Dr. Robert L. Dow of the Sea & Shore Fisheries Department. Any ambitious young person can well spend two or three days at the State House at Augusta, Maine, where he will find intelligent experts eager to help him. The greatest of all opportunities lies in selling advertising to Maine potato growers, to Maine's manufacturers of paper products, and to those in the State producing a hundred other commodities. Natural resources are of little use unless accompanied by the courage and "gumption" of advertising.

May, Borg Admit

Arnold M. Gussoff has been admitted to partnership in May, Borg & Company, 61 Broadway, New York City, members of the American Stock Exchange.

Joins Green, Erb

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, O.—Leslie H. Nolan has joined the staff of Green, Erb & Co., Inc., The Superior Building, members of the Midwest Stock Exchange.

Percy Goodwin Co.

(Special to THE FINANCIAL CHRONICLE)

SAN DIEGO, Calif. — Percy H. Goodwin Co. has been formed with offices in the First National Building to engage in a securities business. Officers are Edward W. Goodwin, President; Fred Kunzel, Vice-President; and R. L. Paine, Secretary and Treasurer.

Ball, Burge Branches

CLEVELAND, Ohio—Ball, Burge & Kraus has opened a branch office at 4544 Main Avenue, Ashtabula and at 1679 Mentor Ave., Mentor, Ohio. Robert T. Blaine will be in charge of both new offices.

Mayer, Morgenstern Admit

Mayer & Morgenstern, 120 Broadway, New York City, members of the American Stock Exchange, has admitted Michael B. Dretzin to partnership.

Bernstein Branch

NEW CASTLE, Pa.—Bernstein & Company has opened a branch office in the First Federal Plaza Building under the management of Francis R. Silverman.

New Syracuse Office

SYRACUSE, N. Y.—First Albany Corporation has opened a branch office in the State Tower Building under the direction of John W. Burns.

Phila. Bond Club Outing Chairmen

PHILADELPHIA, Pa.—The Bond Club of Philadelphia announced the appointment of committee chairmen for the forthcoming 35th Annual Field Day of the club which will be held on Friday, Sept. 23, 1960, at Huntingdon Valley County Club, Abington, Pa.

The club named Willard S. Boothby, Jr. of Eastman Dillon, Union Securities & Co. as outing chairman, with Morris Lloyd of Drexel & Co., president of the club as outing chairman ex officio.

The chairmen or co-chairmen of the various committees are:

Attendance: Raymond L. Talcott of Drexel & Co.

Prizes: Robert E. Daffron, Jr. of Harrison & Co. and Phillips B. Street of The First Boston Corp.

Golf: George DeB. Bell of Drexel & Co.

Guests: Warren H. Bodman of DeHaven & Townsend, Crouter & Bodine.

Minor Sports: Harry K. Hiestand of Reynolds & Co. and Wallace H. Runyan of Hemphill, Noyes & Co.

Publicity: S. Grey Dayton of Elkins, Morris, Stokes & Co. and Spencer D. Wright, III, of Wright, Wood & Co.

Registration: John M. Hudson of Thayer, Baker & Co.

Stock Exchange: Theodore E. Eckfeldt of Stroud & Co., Inc. and Joseph E. Smith of Newburger & Company.

Tennis: Willard M. Wright, Jr. of Kidder, Peabody &Co.

Transportation: James W. Heward of Butcher & Sherrerd.

J. N. Russell Adds

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, O. — Thomas A. Russell has been added to the staff of J. N. Russell & Co., Inc., Union Commerce Bldg., members of the New York and Midwest Stock Exchanges.

MUTUAL FUNDS

BY ROBERT E. RICH

The Amateurs, the Pros and the Lifeguards

Margins governing stock purchases were reduced last week to 70% from 90%, a level at which there was scant room for the excitable amateurs to go overboard. If relatively few beginners have drowned in the treacherous market currents of 1960, then some of the credit doubtless belongs to the high-margin safety belt.

Yet there is good reason to believe that the almost complete absence of cries for help is due, in the main, to the presence of the lifeguards. Mutual fund counsel has been nothing short of that for the past several years, as this department has noted on more than one occasion. No survey, of course, has been undertaken to determine how many waders were kept from being swept under because the lifeguards were available, but another kind of survey indicates that there are still too many people who have no hesitation in splashing about in perilous waters without bothering to take lessons.

A study of the bathers has been made by the United Shareholders of America, a non-profit investors' organization founded in 1949 to serve as a representative of stockholders at legislative hearings and at management meetings. Its questions have been directed at 2,000 owners of common stocks, a reasonably broad sampling.

Slightly more than one-half of those questioned could not even name a single product or service of any corporation in which they owned shares. They did not even know the kind of business or service engaged in by any company in which they owned stock. Many thought their Bell & Howell was an aircraft stock, General Motors in the gasoline business, Raytheon a uranium company, Swift a truck maker and Merck in foods.

Says United Shareholders' chief Benjamin A. Javits: "More than half the investors have no idea of what they are buying or what they own." Moreover, 55% of these devotees of people's capitalism could not name a single president of any company in which they owned shares.

Something like three in every four persons questioned had college training, yet 21% admitted they bought stocks on "casual recommendations from friends" compared with only 15% who turned to investment counsel (only 1% consulted a lawyer). Many a medical man or mechanical engineer who has ventured into the marketplace can attest that coping with a tourniquet or a torque is no safeguard against uninformed talk.

Of course, there are those who will argue that there is little reason to wail here in the midsummer of 1960 since the Dow Jones industrial average has fallen from this year's peak a mere 12%. However, not everyone buys the pivotal stocks and even here many of the so-called "average" stocks have fallen more than 25%. (The submersion of hundreds of other equities has been far, far deeper.)

It's like the fellow telling the man who could not swim that he had nothing to fear because the average depth of the water was only three feet. What he neglected to tell the unwitting victim was that at some places it was more than seven feet deep!

Thousands of non - swimmers came unbidden to the Old Financial Swimming Hole in the 1920's and the 1930's. A not inconsiderable number drowned. It is easier to sympathize with the untutored than with the professionals, but the amateurs need more than pity — and protection is better than help. If they came unbidden in another age, this time, in the name of people's capitalism, they have been invited—all but summoned—to go into the water. To the credit of the operators of the Old Financial Swimming Hole, they have detailed the risks. Still, the man trapped in deep water will feel no less uncomfortable for having been warned. As for the old swimming hole, it never will be the same again if there is to be a recurrence of the tragic events that scarred an older generation.

The pro, obviously, doesn't need the lifeguards. Quite often, he is one and the same person.

Neither the pro nor the amateur gets any guarantee, but when somebody gets around to writing the history of this generation of investors, he's certain to cite the key role played by the lifeguard in affording maximum protection for hundreds of thousands of people who were determined to keep their heads above water.

And maybe that study will include a survey of the results of venturing into the water with professional guidance as contrasted with "casual recommendations from friends."

Nebraska Bars Contractual Plans

The Department of Banking of the State of Nebraska has barred from sale in that state investment contracts or certificates of indebtedness which penalize an investor if he withdraws funds before maturity. Edwin N. Van Horne, Director of Banking, said his department last month denied applications to register contractual or front-end load mutual investment funds which "charge a heavy sales load in the first years of the investment." He said: "Up to 50% of the payments made during the first year are in some instances charged as sales commission."

The Funds Report

Shareholders of **Axe Science & Electronics Corp.** and **Missiles-Jets & Automation Fund** have approved the consolidation of the two mutual funds. The merger is expected to be completed sometime during the month of August.

With shareholder approval of the merger agreement, Axe Science will acquire the assets of Missiles-Jets fund which has approximately $4,550,000 in exchange for Axe Science shares of equivalent value.

Axe Securities Corporation will continue to act as the general distributor of the consolidated mutual fund.

Eurofund, Inc. in the second quarter of 1960 marked completion of its first full year of operation. On June 30 total net assets were $24,257,189, equal to $23.10 a share. Total asset value three months earlier was $19,956,551 and $19.01 a share. At June 30, 1959, the figures were $18,965,192 and $18.06 a share.

* * *

Standard Shares, Inc. reports net asset value at June 30 was $35,269,314, equal to $24.66 a share, compared with $24.26 a share on Dec. 31, 1959, and $23.73 on June 30, 1959.

* * *

Keystone Growth Fund K-2 reports that during the first six months of the latest fiscal year major additions were made in utilities, office and business equipment, drugs, soaps and cosmetics, insurance and finance, and electric products. Reductions were made in steels, oils, paper and packaging, rubber and tires, machinery, and metals and mining.

* * *

People Securities Corp. reports that at June 30 total net assets were $6,299,874 and net asset value per share $18.64. This compares with $3,361,601 and $16.80 a share on June 30, 1959. During the year the number of shares outstanding rose to 338,052 from 200.063. The company during the last three months added Chock Full O' Nuts, Haveg Industries, Litton Industries, National Aeronautical Corp., Nuclear-Chicago Corp., Suburban Gas, Varian Associates and Vendo Co. It eliminated Addressograph-Multigraph, Aeroquip, Food Fair Properties, Marquette Cement Manufacturing, Pitney-Bowes, Reynolds Metals, Shamrock Oil & Gas and Tennessee Gas Transmission.

* * *

Growth Industry Shares, Inc. in its annual report states that at June 30 value of total net assets was $24,483,286, equal to $20.35 a share on 1,202,888 shares. Comparative figures are $19,796,878, $19,78 and 1,000,807 shares at June 30, 1959. During the latest quarter Brunswick Corp. and Commonwealth Edison were added to the portfolio. Holdings of American Express and Continental Casualty were increased. Mead Johnson and Chas. Pfizer were eliminated.

* * *

Dreyfus Fund, Inc. announced that as of June 30 net asset value a share was $14.96, up from the $13.81 three months earlier but down from the $15.10 six months earlier.

* * *

Total net assets of **Dividend Shares, Inc. at June 30** were $268,-791,248, equal to $2.96 per share. At June 30, 1959, total net assets were $273,938,371, or $3.11 per share.

* * *

Institutional Shares, Ltd. announced that during the past quarters it has made "major changes" in its investments. New investments include Brush Beryllium, Caterpillar Tractor, Haloid Xerox, Moore Corp., Ltd.; Owens-Corning Fiberglas and Upjohn. Columbus & Southern Ohio Electric Co. and Parke, Davis holdings were eliminated.

Wisconsin Fund, Inc. reports that at June 30 total net assets were $16,339,175, or $6.27 a share. This compares with $15,535,761 and $6.26 a share a year earlier.

* * *

The **George Putnam Fund of Boston** reports total resources at midyear amounted to $212,572,000, or $14.59 on each of 14,573,661 shares. This compares with $199,-630,000 and $13.89 on each of 14,370,507 shares at March 31.

* * *

Selected American Shares, Inc. reports that at June 30 total net assets were $100,127,172, equal to $9.08 a share, against $10.32 a share a year earlier. In the latest quarter the company made initial purchases of 5,000 shares each of Aluminium Ltd., American Cyanamid, Smith Kline & French and Upjohn. It also made initial purchases of Gustin Bacon, Friden and G. D. Searle. It also increased holdings of Detroit Edison by 10,000 shares, Food Machinery by 5,000, Fruehauf by 5,000, Republic Natural Gas by 10,700, Rexall Drug by 12,500 and Square D by 10,000.

The company eliminated from its portfolio American Metal Climax, Bethlehem Steel, Caterpillar Tractor, Cities Service, General Motors, Mead Corp., Public Service of Indiana and United Aircraft. It reduced holdings of Atlantic Refining by 8,300 shares, Container Corp. by 13,000, Inland Steel by 5,000 RCA by 16,500, St. Regis Paper by 10,600, Standard Oil (Indiana) by 5,000 and U. S. Steel by 8,000 shares.

* * *

T. Rowe Price Growth Stock Fund, Inc. reports net assets at June 30 totaled $33,984,629, equal to $14.11 on each of 2,407,863 shares. The corresponding figures a year earlier were $22,488,443, $13.30 a share and 1,690,632 shares.

* * *

American-South African Investment Co. reports net assets at June 30 amounted to $35,099,109, or $29.25 a share. A year earlier the figures for this closed-end investment company were $42,-096,944 and $35.08 a share. For the latest six months net income totaled $878,035 while net real loss on investment was $25,780, against net income of $754,874 and net real loss on investment of $1,876 in the first half of 1959.

* * *

Mutual Income Foundation declared a quarterly dividend of 15 cents a share, payable Aug. 25. The fund, an affiliate of the Nationwide Group of insurance companies, said this brings the total of three dividends thus far this year to 45½ cents, against 38½ cents in the like 1959 period. In addition a capital-gains distribution of 60 cents a share was made last May.

* * *

Sovereign Investors, Inc. reports net assets at June 30 were $3,634,-605, equal to $13.86 a share on each of 261,960 shares. This compares with $3,397,981 and $14.92 on each of 227,757 shares at mid-year of 1959.

* * *

Delaware Fund, Inc. reports net assets at June 30 were $93,125,671, or $11.23 a share. This compares with $82,844,704, or $12.68 a share a year earlier. During the year share total rose to 8,293,921 from 6,534,631.

* * *

Diversified Growth Stock Fund, Inc. reports record highs in assets, number of shareholders and shares outstanding. According to the semi-annual report, total net assets rose from $55,691,682 on June 30, 1959, to $91,875,645 on June 30, 1960. Over the same period, the number of shareholders increased from 21,171 to 38,504 and shares outstanding rose from 5,861,826 to 9,123,342.

Net asset value per share on June 30, 1960 was $10.07, compared with $9.50 on the same date last year and $9.65 on Dec. 31, 1959.

During the six months ended June 30, 1960, additions to holdings included new investments in the common stocks of American Machine & Foundry Co.; Brunswick Corp.; Cessna Aircraft Co.; Holt, Rinehart and Winston, Inc.; Ling-Altec Electronics, Inc.; Piper Aircraft Corp., and U. S. Chemical Milling Corp.

Eliminated were all holdings of the common stocks of General American Oil Co. of Texas; Kaiser Aluminum & Chemical Corp.; National Life & Accident Insurance Co.; Chas. Pfizer & Co., Inc.; Pittston Co.; Signal Oil & Gas Co., Class "A," and Technology Instrument Corp.

* * *

Net assets of **Commonwealth Investment Co.** totaled $148,516,-467 on June 30, 1960, According to the mid-year report. This compared with net assets of $152,475,-557 on Dec. 31, 1959, and with $151,940,353 on June 30, 1959.

Net asset value per share on June 30 was $9.49 compared with $9.68 on Dec. 31, 1959 and $9.69 on June 30, 1959. The common stock investments were further reduced during the first half of the year. The common stock percentage, which stood at 66.7% a year earlier and at 65.5% on Dec. 31, 1959, amounted to 59.9% at mid-year.

Common stocks eliminated from the portfolio during the six months were: Bestwall Gypsum, Deere, Jones & Laughlin Steel, Lincoln National Life, J. C. Penney, Skelly Oil, Stauffer Chemical J. P. Stevens, U. S. Plywood and Youngstown Steel.

New holdings in the common stock portion of the portfolio were: Allied Chemical, Ford Motor, W. T. Grant, International Harvester, Pepsi-Cola and Square D.

More Women In Banking

A new total of 12,506 women bank officers and directors in the United States is reported by the Research Committee of the National Association of Bank Women. This is an increase over the previous estimate of 10,500.

Research Chairman of the Association is Miss Treva Ann Moore, Vice-President and Cashier of First National Beach Bank, Jacksonville Beach, Fla.

Working from the Spring Bank Directory of 1960, Miss Moore and members her Committee found 164 women bank Presidents included in their count.

The new statistics are reported by Miss Moore in an article appearing in the currnet issue of *The Woman Banker*, official publication of the National Association of Bank Women.

The article also notes, "Women constitute 10% of the officer-population in our banks. There is a total of approximately 110,000 bank officers in this nation's 14,-037 banks with their 9,898 branches, according to the latest estimate of the American Bankers Association."

Other members of NABW's Research committee in addition to the chairman are: Miss Ruth Norberg, assistant vice - president, First National Bank and Trust Co., Evanston, Ill.; Miss Peggy Reifsnyder, assistant trust officer, Central Trust Co., 1216 11th Avenue, Altoona, Penna.; Miss Leola Fedder, vice - president, The Kirkwood Bank, Kirkwood 22, Mo.; Miss Harriet Swanson, assistant secretary, Society for Savings, Hartford, Conn.; Miss Betty Gaunt, secretary, Cohoes Savings Bank, Cohoes, New York; Miss Marjorie Siewert, director and assistant cashier, First National Bank, Little Falls, Minn.; Mrs. Doris Warner, assistant cashier, The Puget Sound National Bank, Tacoma, Wash.; Miss Mary Fidel,

assistant cashier, Grants State Bank, Grants, New Mexico; Miss Ruth Frankish, assistant cashier, Bank of America N. T. & S. A., Ontario, Calif.; Mrs. Charlotte Powers, American National Bank of North Miami, North Miami, Fla.; Mrs. Manuella Taylor, vice-president and trust officer, Pascagoula-Moss Point Bank, Pascagoula, Miss.; and Mrs. Clytelle Rosell, vice-president, Peoples State Bank, Tulsa, Okla.

Krider Joins Taylor, Rogers

CHICAGO, Ill. — Edmund A. Krider, former President and Director of Montgomery Ward & Co. and more recently financial Vice-President and Controller of Cook Electric Company, has joined Taylor, Rogers & Tracy, Inc., 105 South La Salle Street, members of the Midwest Stock Exchange, as Vice-President and a Director.

Edmund A. Krider

In his new position, Mr. Krider will head the firm's research and new business department in addition to assuming general management duties. This acceleration of activities will more fully complement Taylor, Rogers & Tracy's present underwriting, retail sales, specialist and trading divisions.

After graduating from Grinnell College in 1935, Mr. Krider joined Montgomery Ward & Co. and advanced through various financial and plant administrative positions to the presidency, which he resigned following the Wolfson controversy in 1955.

Morris Joins Powell, Kistler

FAYETTEVILLE, N. C.—James L. Morris has become associated with Powell, Kistler & Co., 110 Old Street, members of the New York Stock Exchange, as Director of Research and Underwriting.

Abraham Strauss & Son Formed

Formation of the investment firm of Abraham Strauss & Son Inc., members of the New York Security Dealers Association, with offices at 115 Broadway, New York, has been announced by Abe Strauss, President.

Amott, Baker Branch

NAUGATUCK, Conn. — Amott, Baker & Co., Incorporated has opened a branch office at 19 Church Street under the management of Milton M. Seligson. Andrew Jackson is associated with the new office as assistant manager.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Insurance Stocks

THE OHIO CASUALTY INSURANCE COMPANY

In contrast to the persistent adverse underwriting experiences of most insurance companies in the fire-casualty field, Ohio Casualty has been able to maintain an outstanding and most profitable operating record. Much of this success undoubtedly has been due to selective underwriting, diligent claims handling, modern marketing, and independent rate filings. The medium-sized Ohio Casualty Group's growth record clearly has outpaced industry averages and profitable results consistently have been obtained throughout each and every year.

Headquartered at Hamilton, Ohio, the company has a force of about 6,000 agents and is licensed in 46 States and the District of Columbia; the States not covered are Alaska, Hawaii, Maine and New York. Although Ohio Casualty began operations in 1920 as an automobile specialty carrier, a full multiple-line business is now written, together with its two wholly-owned subsidiaries, Ohio Insurance Company (Hamilton) and West American Insurance Company (Los Angeles). In 1939 the Pennsylvania Indemnity Corp. was purchased and absorbed.

Business is reported through some 40 branch offices and general agencies. Rural markets are penetrated. The Ohio home office's jurisdiction, which covers mainly the Midwest and the South, is supplemented by an Eastern Department in Philadelphia and a Pacific Department at Los Angeles for the West Coast States.

The company is a member of the Ohio Bureau of Casualty Insurers which sets rates for such lines as automobile, general liability, glass and theft insurance. Independent rate filings are made in all lines written in most of the other States. In Ohio, fidelity and surety rates also are based on independent filings. Protection against abnormal losses is obtained through reinsurance treaties with a leading reinsurance company.

Significant developments during 1959 included the development of the Ocasco Budget, a premium financing plan, and the establishment of an accident and sickness department. Among package policies written are Homeowners and Comprehensive Dwelling coverage and Storekeepers Liability coverage. The reduced premium auto insurance plan written by West American has proved effective in combating competition of the specialty companies. The West American automated program for writing automobile and other personal insurance lines made further progress in 1959 with premium writings exceeding $4 million.

Selected Statistics — Growth and Underwriting Control

Year	—Net Premiums— Written*	Earned*	Admitted Assets*	Loss Ratio†	Expense Ratio‡	Profit Margins
1959	$71.948	$68.350	$90.195	57.6%	37.2%	5.2%
1958	64.033	60.013	81.205	56.0	37.5	6.5
1957	57.151	52.552	71.331	59.8	38.1	2.1
1956	50.582	48.590	67.240	58.1	39.1	2.8
1955	47.955	47.911	65.822	53.1	38.0	8.9

*In millions of $.
†Losses incurred to premiums earned.
‡Expenses incurred to premiums written.

The distribution of premiums written in 1959 was 30.8% for fire or property lines and 69.2% for casualty lines. Three lines, Auto Physical Damage, Auto Liability, and Auto Property Damage, accounted for 75% of the total premiums written. As to premiums written, the leading States include Ohio, California, Pennsylvania, Michigan and Illinois.

Growth since 1949 in Admitted Assets and in Net Premiums Written, at 137% and 128%, respectively, has been well above average for the industry. Total assets of the group at $90.2 million, at year-end 1959, were 11.7% above 1958. Net premiums written of $71.9 million for 1959, increased 12.4% over 1958. Policyholders surplus increased $1.8 million to $28.2 million; since 1949 this item has increased 224%. Net premiums written at over $3.00 per dollar of Capital Funds is an impressive ratio.

The combined loss and expense ratio for 1959 at 94.8%, although slightly higher than in 1958, can be considered a remarkable achievement especially when the increase in premiums written is considered. Expenses appear to be under excellent control. For the first quarter of 1960, premiums written advanced 20.3% from a year ago. Due to such factors as high auto accidents, increased repair and medical costs, and higher jury awards, increased claims in the various automobile lines developed to make operating returns for 1956 and 1957 less outstanding than usual. Even so, the past ten-year average loss and expense ratio of 92.6% reflects superior underwriting experience.

Per Share Statistics

Year	Approximate Price Range	Invest. Income	Total Earnings	Avg. P/E Ratio	Divid.	Approximate Book Value
1960	31—23	----	----	----	----	-----
1959	34—24	$0.93	$1.92	15.1	$0.64	$19.00
1958	26—19	0.82	2.14	10.5	0.58	17.99
1957	22—17	0.72	1.22	16.0	0.54	15.46
1956	26—22	0.72	1.21	19.8	0.50	14.55
1955	24—19	0.64	1.49	14.4	0.49	15.58
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1949	8— 7	0.28	1.79	4.2	0.17	9.30

Net investment income increased 11% in 1959 over 1958, and the growth since 1949 of 237% is an achievement surpassed by very few insurance companies. At the end of 1959 the well diversified and highly liquid investment portfolio included U. S. Governments at 17.3% of total assets, other bonds mainly tax-exempts at 47.3%, and common stocks, 13.6%. Cash, receivables and bonds were 125.5% of liabilities at the end of 1959.

The dividend record is without equal with increases each year in payout and a gain of over 375% since 1949. The current quarterly dividend payout, $0.14 a share plus a year-end extra of $0.08 for a total of $0.64, provides a yield of 2.7% at the current price of 24. Presently this issue is selling at 12.5 times 1959 earnings of $1.92. Stock dividends of 25% in 1953, 33⅓% in 1950, 25% in 1947 and 100% in 1941 were paid by Ohio Casualty. A 4-for-1 stock split was executed in 1956. The 2,000,000 common shares outstanding are widely held by some 1,800 stockholders; directors are believed to own over 10% of the stock.

The outstanding growth in investment income and the consistent highly profitable underwriting operations readily explain why Ohio Casualty stock is among the few fire-casualty investments which have been able to command a premium price over book value in the market.

THE SECURITY I LIKE BEST...

Continued from page 2

ment Commission Pinellas County Road and Bridge Revenue 5's, 4.85's and 4.80's.

A shrewd commercial banker friend, with good underpinnings of bond knowledge, recently asked me why his trust investments should not be largely confined to the New Housing Authority bonds. I quickly replied that his judgment was correct under present market conditions. The yields on these highest grade bonds equalled the yields on many bonds of lesser quality even down into the A rating category. Bear in mind that the Housing Authority bonds bear the pledge of the faith of the United States to the payment of the annual contributions pursuant to the contracts. Their security is unquestioned. Current coupon Housing Authority bonds are available in 1970 at a 3.05 basis, in 1980 at 3.50 and in 1990 at 3.80.

These bonds certainly appear relatively cheap when compared with many of the recent offerings of good to high grade bonds none of which can excel in quality. Listed below are some recent issues with yields given for the 10, 20, and 30 year level.

Rating	Security	1970	1980	1990
AAA	City of Cincinnati	3.00	3.25	3.45
AA	Nashville, Tenn.	3.10	3.35	3.50
AA	Milwaukee, Wis.	3.20	3.50	3.60
AA	Lynchburg, Va.	3.15	3.40	---
AA	St. Paul, Minn.	3.00	3.30	3.45
A	Dallas, Texas	3.20	3.55	---
A	Paterson, N. J.	3.35	3.60	3.75
A	West Virginia	3.15	3.40	---

The list suggests that there is too close a spread between the A rated bonds and the AAA Housings. Secondly, many of the AA and AAA bonds are selling at questionable yield differentials in favor of the bonds on the list versus the yields presently obtainable on the Housings.

The second grouping of bonds, namely, the high-yielding Dade County Port Authority and the Florida Development Commission Pinellas County Road and Bridge Revenue, are worthy of mention. While these two issues are not of the same investment class as the New Housing bonds they do, nevertheless, have their merits and the yield is outstanding.

Dade County Port Authority 4.70's due Oct. 1, 1999, are offered at 101½ to yield approximately 4.60 to maturity. The Port Authority is an established business success in Dade County owning and operating the outstanding International Airport and the Venetian Causeway. The Port Authority has a long record of good management and achievement. In 1955, it financed its ventures with 3⅛'s due Oct. 1, 1979. The presently offered bonds are of equal dignity and present coverage on all debt is approximately 1.46 rising to an estimated coverage of 5.85 in 1978.

The Florida Development Commission Pinellas County Road and Bridge Revenue bonds are a very recent issue which met a successful reception at time of sale. The 4.85's due in 1988 are presently offered at 102½ to yield approximately 4.70 to maturity.

Here is a good bond of a developing community in a growing State secured by surplus gasoline tax funds and by tolls as well to be charged on the facility. The bonds are a closed first lien on the 80% surplus gasoline tax revenue. The estimated coverage over the life of the bonds is 1.84 from all pledged revenues and 1.45 times from gasoline taxes alone. The preliminary U. S. Census figures for 1960 show Pinellas County with a population of 371,989.

These two high yielding, good grade, and adequately secured revenue issues with their yields of 4.60 to 4.70 compare more than favorably with A rated issues at the 4% level and BAA issues ranging from 4.25 to 4.40. I fully expect their future price performance to improve and follow the pattern of the previously mentioned high yielding issues.

Jack Currie With Moroney, Beissner

HOUSTON, Tex.—Jack T. Currie has been elected a Vice-President of Moroney, Beissner & Co., Bank of the Southwest Building. He was formerly a partner in Moreland, Brandenberger & Currie.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Stocks were back in the desultory pattern that prevailed for much of July this week after the momentary glee over a trim from 90 to 70% in the margin requirement had run its course.

The Margin Cut

The surprise timing of the margin trim—it came overnight on a Wednesday instead of on Thursday when the Federal Reserve Board meetings are held, or on a weekend when such announcements have been made in the past—saved the industrial average on the brink of trouble.

For the second time this year the industrial average had worked within touching distance of the 1960 low posted early in March which was a reading of a shade over 599. In May the area was approached again but the average held at 599.61, half a point above the low. In July the lows were 601.68 and 601.76 which, for the moment, would indicate a successful testing of the low.

But the margin cut came just when the debate was hot over whether the low would continue to provide a floor for the average and a couple of spirited rallies ended the discussion at least temporarily.

There is always a pickup in general interest in the technical aspects of the market when the averages approach a critical level. What made this more urgent this time is that the rail low of early in the year failed to hold when it went into its July slide. So a penetration on the downside by the industrial index would be a re-confirmation of the bear market signal given in March under the Dow Theory. Then it was the rails sliding through a resistance level after industrials had already done so that set up the "signal."

There was still much concern over the possibility of another test still in the offing since market history shows that changes in the margin rate don't change the immediate course of the market regardless of whether it is going up or down. And the pattern of lower profits on higher sales that is pervading the half-year reports is hardly conducive to good market action at the moment.

The Election Factor

Until some definite indications of a good pickup in the general economy come along, the market is showing what resistance it does mostly on the psychological basis that election years are normally good ones for the market, and on hopes that in an election year the money managers will take steps to spur the economy.

With the candidates of both political parties committed to heavy defense spending, there was some demand for the aircrafts after a long period of neglect. The group was capable of an occasional shock, as when Lockheed omitted its dividend, but this was offset by some good showings, notably that of Boeing. This well-depressed aircraft issue last year reported profit of $1.65 after writing off the equivalent of some $7 a share in development costs. The period of heavy write-offs apparently has ended and first half profit this year was able to rebound to $1.29, against the 47-cent net per share reported in the same period next year.

It would indicate that Boeing Airplane could show earnings of around $3 per share this year which would give it a price-earnings multiple of a conservative 10-times. To its followers, Boeing is poised for even better earnings in the future since it is deep in the missile business with one project, the Minuteman, alone calling for a contract of nearly a quarter billion dollars for research and development. It is also the principal contractor on another project to develop a piloted space vehicle.

P. & G. "Endorsement"

The hunt for situations that haven't already discounted a good bit of the future was still an active one despite the lagging markets. Procter & Gamble was the illustration of how easily a favored item can soar even in flabby markets. An endorsement by a dental group of some of the preventative claims for its new toothpaste—first such endorsement on record—set off P&G which raced to new peaks on multi-point gains.

It also brought selling into its principal competitor, Colgate-Palmolive which dropped it to new lows. Colgate, however, is far from out of business because of this single competitive blow. It is one of the three top firms in the soap and toothpaste field and recently added ethical drugs to its line. Like many firms operating worldwide, Colgate's foreign operations return a better profit than do the domestic ones and, in fact, last year for the first time foreign sales outpaced the domestic total.

Colgate's shares have been pedestrian since last year's stock split. The new ones only stretched their 1959-60 range to 10 full points this week. The yield is well into the 4% bracket, which is above average for a quality issue that has shown steadily expanding sales and dividend increases for each of the last three years with this year expected to be the fourth in a row. The indicated dividend, moreover, should be covered twice over by earnings as it has in the last four years.

A Speculative Laggard

Of a more speculative nature is Servel which was once rated among the "sick" companies in the economy until it sold its money-losing appliance line and took off on a new tack. The keystone of its revival was acquiring Burgess Battery. This company had a long record of profit-making ability in good and bad times and is expected to produce earnings of around $1.50 this year. Servel at that rate would have a price-earnings multiple of less than 9-times.

The expansion in this case is into the magnetic tape business, one of the glamour ones of the day, and into a new product, an automatic ice maker to be sold to refrigerator makers. Both have multi-million sales potentials to add to the established and profitable old line of Burgess.

Newly Dynamic Publisher

Crowell Collier is also a company that turned a corner when it disposed of the money-losing magazine business and decided to concentrate on its profitable activities. There was something of a difference of opinion over its earnings potential since this year's results will be only partially tax-free.

For the first half of the year a pre-tax increase of 25% in earnings dwindled to a far more modest gain of around 5% after provision was made for $500,000 in possible tax liability. The company still has a tax credit of around $4.9 million to offset this year's earnings, so providing for a tax deduction in the first half was mostly precautionary. Last year's tax-free earnings came to $5.2 million.

Crowell recently acquired a majority interest in Macmillan Co., book publishers, which will bolster second half earnings since Macmillan's fiscal year ending April 30 was one of the best in its history with good business continuing into the new fiscal year. Like Servel, dividend expectations aren't glowing since both have to build up their cash. Crowell, however, did pay a 4% stock payment last year.

Slightly Sticking Oils

The long-depressed oils stirred occasionally but without too much follow-through although some of them, to some analysts, have reached levels where they are oversold and ripe for a recovery even though they are a long way from taking over the market leadership as they did in the immediate postwar era. Amerada, for instance, has been slashed 60% in three years of its own bear market. Such a sharp trim in so short a time alone calls for a rebound and chart patterns support the thesis that it is at, or near, the point for a reversal to set in.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Customers Brokers Annual Dinner

The Association of Customers Brokers will hold their annual dinner and business meeting on Sept. 14 at the Starlight Roof of the Waldorf Astoria Hotel. Tariff, including dinner and cocktails, is $10.00.

To Be Vice. Pres. of Brand, Grumet

On Aug. 11 Herbert LeVine will become a Vice-President of Brand, Grumet & Seigel, Inc., 49 West 33rd Street, New York City, members of the N. Y. S. E.

To Be Vice. Pres. of Propp & Co.

James K. Woog on Aug. 15 will become a Vice-President of Propp & Co., Inc., 400 Park Avenue, New York City, members of the New York Stock Exchange.

With Watling, Lerchen

John W. Watling, III, has become associated with the N. Y. City office of Watling, Lerchen & Co., 120 Broadway, as registered representative.

Brodsky Gen. Manager For Model, Roland, Stone

Irwin A. Brodsky has become associated with Model, Roland & Stone, 120 Broadway, New York City, members of the New York Stock Exchange, as general manager.

With Federman, Stonehill

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Marion A. Wandmayer has been added to the staff of Federman, Stonehill & Co., 9025 Wilshire Boulevard.

With Hayden, Stone

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES—Murray Pepperman is now with Hayden, Stone & Co., 5657 Wilshire Boulevard. He was formerly with Marache, Dofflemyre & Co.

Now With Wedbush

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Marvin J. Wanetick is now with Wedbush & Co., 3838 West Santa Barbara Ave. He was formerly with Sutro & Co. and Dempsey-Tegeler & Co.

LETTER TO THE EDITOR:

Writer Would Change Depreciation Accounting

Correspondent explains why he would like to see a new accounting procedure wherein stock dividends would be issued in an amount approximating the annual charge to income for depreciation. He claims that in practice there is no depreciation reserve fund and this necessitates financing at the time of replacement.

Editor, Commercial and Financial Chronicle:

In theory the periodical charge to income for depreciation of capital assets and the credit to reserve for depreciation was designed to provide a fund for the replacement of these assets at the end of their useful lives. As a return of capital, available (tax exempt) in a reserve fund, it was intended to facilitate the continuity of the business for the beneficial owners. In practice there is no depreciation reserve fund because this portion of the "cash flow" has been re-invested in the business and the so-called reserve for depreciation is an accounting entry only shown as a deduction from the appropriate capital asset. Because this policy necessitates financing at the time of replacement—a new theory of depreciation accounting is called for and likewise a new technique in practice.

In recent years, where not prohibited by governmental agency regulation, the reserve for depreciation has been changed from the liability side of the balance sheet to a deduction from the capital assets. Why has this change been made?

The taxing authorities recognize that plant and equipment wear out and so provide that a portion may be charged to income before taxes during the estimated life of the asset. However management, hard pressed for funds for capital expenditures and expansion, has used the "cash flow" retained in the business as additional capital. Therefore I am suggesting that the accounting profession and corporate management recognize that the tax exempt charge to income for depreciation in its present application is in effect a return of capital re-invested in the business for the benefit of shareholders, and is not a funded reserve to provide for the replacement of the assets. In practice this can be done by declaring annual stock dividends in an amount approximating the annual charge to income for depreciation. As this will increase the capital accounts and the total assets (the same as in the days when the reserve was shown as a separate item on the liability side of the balance sheet), the asset side will introduce a new category, namely, Reserves Reinvested in the Business. For example, let us take a simplified balance sheet and show the effect of one year's operation:

Plant & Equip.	$100,000	Common stock	$200,000
Net Current Assets	100,000		

(1) assume the charge to income for depreciation is $5,000
(2) assume the net income to be $10,000 and no cash dividends paid
(3) assume plant improvements are $7,000

The simplified balance sheet showing the changes would be:

Plant & Equipment		$100,000	Common stock	200,000
—Res for deprec.	5,000		+2½% stock dividend	5,000
+Improvements	7,000			
Net Plant & Equip.		102,000	Common stock a/c	205,000
Net Current Assets		100,000	Earned Surplus	10,000
+cash flow	15,000		(net income from Earnings Statement)	
—improvements	7,000			
Net Current Assets		108,000		
Res. Reinvested in Business		5,000		
Total		215,000	Total	215,000

The New York Stock Exchange has a regulation that any listed corporation paying a stock dividend under 25% shall transfer from a surplus account to the capital stock account an amount equal to the market value of the shares being distributed. As in my suggestion this is a return of capital and not accumulated income which is being distributed—I would not think that the regulation would hold.

To show how this theory would have worked out in practice I have selected Deere & Company which has had no change in the number of shares outstanding in the past eight years, and adjusted the figures. Starting with the fiscal year ending in 1952 a 75% stock dividend would capitalize all but a small portion of the accumulated reserve for depreciation and in the tabulation below the earnings and dividends per share have been adjusted for this.

Year	Dividend	No. Shs. Outstanding	Earned	Dividend
1953	5%	12,311,200	$1.83	$1.00
1954	5%	12,926,750	1.43	0.86
1955	8%	13,960,890	1.87	1.00
1956	8%	15,077,760	1.18	1.00
1957	8%	16,283,980	1.63	0.93
1958	7%	17,423,850	2.32	1.00
1959	7%	18,643,520	2.60	1.35

Thus with the net income divided among a greater number of shares and with the same dividend per share on the increased number of shares, there is still a 55½% average pay-out for the seven years.

My point in promulgating this idea of changing the theory of depreciation accounting and its practice it to give recognition to hitherto hidden capital funds which are looming very large in the total capitalization of many corporations.

July 26, 1960

C. H. HAINES
136 Goden Street,
Belmont 78, Mass.

Three With Copley

DENVER, Colo.—Donald L. Alexander, Charles Schoenecke and Ervin L. Turner have been added to the staff of Copley and Company, 818 Seventeenth Street.

Lowell, Murphy Adds

DENVER, Colo. — Jack G. Cody and William A. Ringer have joined the staff of Lowell, Murphy & Company, Inc., Denver Club Building.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Vice-President Nixon's great accomplishment so far has not been his nomination and his very good acceptance speech. He accomplished the nomination by acclamation and his acceptance speech has been hailed generally as unusually good. But his great accomplishment was to take Governor Nelson Rockefeller into camp. He and the New York governor embraced at the convention and apparently came away loveydoveys.

Mr. Nixon accomplished this by going to see the New York governor on the eve of the convention. They agreed upon 14 points that had to go into the platform. Rockefeller could not have got these points inserted himself. It took the assistance of Nixon. Now, Governor Rockefeller is committed to campaign earnestly for Nixon. This is the only way it would be possible for Nixon to win in New York.

Southern delegates were very disappointed about the Civil Rights plank but it was necessary if the Republicans are to have any chance in the big Eastern states. The Southerners came to realize this and thus had to bury any hopes of a possible Republican victory in the South. After all, it takes about four of those Southern states to make up for New York.

The fact remains, though, that Senator Goldwater of Arizona, came out of the convention with the most laurels. He didn't win the money but the demonstration for him showed the admiration in which he is held.

To have given him second place on the ticket would have nullified everything Nixon stood for. It would be about as cynical a ticket as the Democrats wrought. The charges that Goldwater doesn't want to get out of the 19th century are absurd. He is a very intelligent man, has made more than a million dollars in a chain of department stores in Arizona. He has an unusually gracious personality and is one of the best liked men in the Senate.

His speech asking that his name be withdrawn from the running for the Presidency reflected his usual gracious self. Goldwater could have gotten perhaps 300 votes but when he realized he couldn't win, he took the platform to withdraw his name. He had no recriminations against the "liberal" nature of the platform. He agreed that it was much more conservative than the Democratic platform, and urged the conservatives in the party to go out and win with it.

Goldwater's speech could be very effective because thousands of conservatives have been sitting out campaigns on the ground that the Republican platform and candidate were too liberal. The conservatives contend that if ever they get a conservative candidate who will draw the clear issues against the Democrats, they will win hands down. The conservatives in the country outnumber the liberals, they contend. I should like to see this sort of a showdown myself.

The Liberal Republicans point to the registration figures to show that there are one-third more Democrats in the country than there are Republicans and they make a very convincing case against the conservatives. Anyway, they have won in the past three conventions and twice have gone on to victory in November.

Republicans were terribly disappointed with Wendell Willkie. He made it a point to insult every Republican leader he knew. I knew him and admired him and worked very closely with him in the campaign but I couldn't understand why he took such an obvious delight in kicking in the face every Republican leader who came to see him.

At that, he gave the Republicans their greatest run against Franklin Delano Roosevelt.

Outmoded Tax Laws Imperil Creation of Jobs

America's job-creating economic growth is being stunted by outmoded tax depreciation laws that critically hamper U. S. industry in replacing one-third of its machines considered technologically obsolete, a survey disclosed July 31.

The survey by the American Economic Foundation covered the opinions of 33 leading business and industrial organizations and companies which presented testimony before the 1960 House Ways and Means Committee hearing on depreciation policies.

The principal conclusions of these business and industrial leaders were:

(1) Unless the tax depreciation laws are liberalized to give incentive to industry for investment in new machines, the United States economy will fail to grow fast enough to insure our prosperity and to meet the challenge by the Soviet Union for world industrial leadership.

(2) Present tax allowances do not take into account the twin problems of obsolescence and inflation which make it increasingly difficult for industry to acquire capital for replacement.

(3) The United States — burdened by $90 billion worth of aging and inefficient industrial tools—will continue to lose markets abroad and at home to foreign competitors who enjoy the double advantage of low payscales and greater tax write-offs to modernize their plants.

Fred G. Clark, general chairman of the American Economic Foundation, said that the analysis just completed of the House testimony is of particular significance because the Treasury Department is now conducting a national poll to determine industry's view toward depreciation allowances. The statements made before the House Committee — which all agreed that reform was vitally necessary—probably indicate the results of the government's own survey which would show overwhelming support for liberalized depreciation changes listed in the questionnaire.

Industrial and business executives and trade associations have urged recipients to complete this questionnaire and return it to the Treasury Department by Sept. 1.

Four With Bache

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, Calif.—Robert Franco, Meyer Katz, Sidney I. Mandy, Avrum M. Schwartz and Herman Winters have been added to the staff of Bache & Co., 445 North Roxbury Drive. Mr. Katz, Mr. Mandy and Mr. Winters were formerly with Binder & Co. Mr. Franco was with Thomas C. Bowles & Co.

IBA Sponsoring Mun. Program

WASHINGTON, D. C.—An Education and Public Information Program on Municipal Securities has been initiated by the Investment Bankers Association of America, designed to broaden the market for municipal securities and to foster a better understanding of such securities. This activity calls for a new member on the IBA staff in Washington to work full time on this project. Mr. Eugene M. Becker of New York has been selected to fill this position and will join the IBA staff on Aug. 15, 1960.

A native of Illinois, Mr. Becker received his B.A. degree from Colgate University and his Ph.D. from Princeton University. He spent a year in graduate study at the University of Paris, 1953-54, under a Fulbright scholarship.

Mr. Becker served as a foreign press analyst with the Public Information Office Headquarters, United States European Command, Paris. He has had considerable experience in research, writing and lecturing.

Form Bancroft Securities

(Special to THE FINANCIAL CHRONICLE)

WORCESTER, Mass. — Bancroft Securities Co. has been formed with offices at 6 Chamberlain Parkway to engage in a securities business. Partners are Norman Glick and Samuel Glick.

Joins Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

LA JOLLA, Calif. — George H. Klein has joined the staff of Shearson, Hammill & Co., 1125 Wall Street. He was formerly with Schwabacher & Co.

A Cautious Approach To Electronics Industry

Continued from page 3

some programs. Many electronic companies suffered severe earnings declines in 1957 and 1958 because of this development. A successful summit conference could have led to a similar reappraisal of the defense effort.

Typical companies heavily dependent upon military electronics (more than 50% of sales) are Raytheon, Collins Radio, General Precision, Bendix, Varian Associates, American Bosch, Laboratory for Electronics, Giannini Controls, and most of the small companies ($10 million or less in sales). One of the paradoxes in this industry is that the small and medium sized companies try to get big in a hurry so that they will have systems capability. Yet the ones that have such capability, such as Bendix, Raytheon and I. T. & T., are less popular with investors as can be observed from their lower-price-earnings ratios. The reasoning here, of course, is that with the attainment of maturity, growth potential diminishes.

Consumer Electronics, the second largest segment of this industry, has been static for the past 10 years, with TV declining from the 1950 peak, and radio rising from the doldrums where TV pushed it, and hi-fi and stereo adding new elements of support starting last year. From 1950, when this segment accounted for $1.5 billion, or close to 60% of the industry's sales, it declined to below that level until the next big consumer product year of 1955. Since that time it has improved gradually, exceeding $2 billion last year with further improvement this year. With the addition of new products and gradual growth of color TV, it is expected to reach the $3.4 billion level by 1970, or 17% of the estimated industry total for that time. The slower rate of long term growth, its cyclical characteristics and indicated increasing competition from Japanese imports, make this segment of the industry less interesting than others. Best situated companies appear to be those with a good basic position in TV and with growing participation in military electronics, such as Magnavox, Packard Bell and Motorola.

Industrial Electronics is the smallest but fastest growing segment of the electronics industry. From $350 million in 1950, this area of electronics reached the $1.5 billion level last year and is expected to reach $1.8 billion this year. Over the past five years this segment has doubled, outpacing any other broad segment of the industry. The long term outlook is indeed promising with E. I. A. projections calling for a threefold increase by 1970 to the $5.4 billion level. Some consider this ultra-conservative.

Developments in this field are almost directly related to progress in military electronics, but tend to lag by five years or more. Thus only now are solid state circuits being employed in office computers whereas they have been commonplace in military applications for a number of years. The new field of data acquisition, computation and analysis is almost a direct descendant of telemetry, employed by the military for many years.

The field of industrial electronics relates largely to what might be termed the automation of the office, the store, the factory, the refinery. It includes data processing equipment and computers to perform paper work in offices, banks, and stores (generally considered the Office Equipment Industry which we will not cover here) and equipment to monitor and control production processes in industry. It covers broadcasting and communications equipment, including non-military microwave and closed circuit TV, and other instruments and controls of various types. The equipment offered represents marked savings in labor and other costs and, perhaps of more importance, time. The information generated enables management to know a great deal more about its business and with this knowledge to make more rapid time and money saving decisions. But while vast markets for industrial electronic equipment already exist, they can be tapped only over a period of time, i.e., when industry builds new plants or modernizes existing ones. This segment of the industry, consequently, will tend to follow industry capital expenditures, but with a higher content of such dollars devoted to electronics and acting to minimize cyclical characteristics.

Certain interesting sections of this segment will be discussed in more detail later.

Reviews Components

Components:

To round out this review of major broad segments of the industry requires a word on suppliers of components. These include vacuum tubes, capacitors, resistors, coils and, more recently, semiconductor devices (about which more later), which are essential elements of most electronic circuits. This was a $1.1 billion area last year, up from $250 million in 1950. It is expected to reach $1.3 billion this year and $2.6 billion, or double, by 1970. By and large, these companies have the greatest diversification in the electronics industry as they supply nearly all manufacturers of end products regardless of which particular segment of the electronics industry is involved. However, there is a rapid obsolescence factor which requires a great deal of flexibility for those who are to stay on top. Leadership in the semiconductor field, for example, was usurped by newcomers from the logical heirs, the vacuum tube producers. Recent developments in the areas of miniaturization and solid circuits could cause further disturbances in the conventional component field. That is why such a component producer as Sprague Electric has entered the field of transistors and International Resistance and Standard Coil have taken steps to diversify. At this juncture we would be wary of conventional component producers as the solid state physics companies seem about to steal the show.

Various Product Areas

There are several product areas of the electronics industry that are worthy of more detailed discussion, as they appear to have the greatest growth potential at the present time. The products involved are utilized in two or more of the major segments of marketing areas discussed above. They are solid state devices, microwave equipment, and instruments and controls.

Solid State Devices: The growth of the electronics industry over the past five years has exceeded expectations, largely because of the great strides made in solid state physics. Solid state technology involves the movement and control of electrical current through solid materials without moving parts, vacuum gaps or heated filaments. The best known devices in this area are transistors, diodes and rectifiers, collectively termed semiconductors because their ability to conduct electricity lies between that of conductors like copper and insulators like glass. By introducing resistance in the form of impurities in the material, generally silicon or germanium, semiconductors can be given properties that can be made to vary widely according to the manner in which they are connected in an electrical circuit. Transistors are generally used to amplify small signals or to switch current from one circuit to another. Diodes are one way valves, allowing current to flow in one direction but not the other and are used to convert alternating current to direct current and for switching purposes. Rectifiers also convert alternating current to direct current but can handle much larger amounts of power and can deliver power at constant amounts to electrical circuits.

Semiconductors, or more specifically, transistors, have generally been thought of as devices which would take the place of vacuum tubes. In many cases, this has been true, with the best known commonplace examples being the transistor radio and the transistor hearing aid. But because of their compactness, greater reliability, longer life, lower heat generation, and lower power consumption, semiconductors have made possible entirely new products and markets in military and industrial areas. And while vacuum tubes will be passed this year by semiconductors in total sales volume, 1960 will be the best year ever for vacuum tubes.

The transistor was invented by three scientists at Bell Laboratories 12 years ago, but only now is it and its sister devices blossoming forth in many and varied applications. This is partly because of the time required to develop the device into a workable, reliable tool and the time required to learn the manufacturing techniques which would produce reliability at reasonable price. Also a factor is the time required to design into circuits such a revolutionary concept. In 1955, total semiconductor sales amounted to about $37 million, but by last year had increased nearly tenfold to $365 million with a greater increase in units because of price reductions. This year sales are expected to reach $500 million, with the $1 billion level considered possible within three to five years. The growth in recent years has been sparked by the tremendous requirements of the military, particularly for its missile programs. An advanced missile with its ground control equipment may require 100,000 or more transistors and diodes. The computer field is also a large market for semiconductors, with large installations using several hundred thousand semiconductor devices. The field is so promising that many existing producers are in process of doubling capacity and other companies are being attracted to it.

There are now close to 100 companies involved in semiconductor activities, ranging from full scale, broad line producers, through companies specializing in certain types, to those still experimenting in the laboratory. Among the early entries into this field were the manufacturers of vacuum tubes such as GE, RCA, WX, Sylvania, etc., who had to be in this field to protect their investment in vacuum tubes. These companies seemed to have moved slowly, however, perhaps not realizing the rapid technological strides that would be made and that would cause this industry to blossom forth as it now has. The greatest success has been achieved by newcomers, such as Texas Instruments, the unquestionable leader, and by Transitron, now pulling ahead of GE for second place. The success of these companies has pulled in others from the automobile, aircraft, electrical and other fields, with Fairchild Camera and Clevite probably moving up the fastest.

Sees More Competition Ahead

While the prospects for growth for this segment of the industry are extremely favorable over the intermediate future, there are indications that this business could be very competitive five years from now. Unlike the vacuum tube, semiconductor devices have almost unlimited life; hence, there is very little replacement market. With much larger capacity and a slowing down of the growth rate, the market for transistors and diodes could become very competitive. Further, such devices will probably also encounter competition from new devices now in early development stages, such as tunnel diodes, solid state circuits and plastic film circuits. Of these, the tunnel diode, invented by the Japanese scientist, Dr. Esaki, and so named because current passes through it so rapidly it were as if there were a tunnel through the solid material, is closest to commercial utilization. Most of the transistor producers have already begun pilot production of this device. As with the transistor, it will probably take many years for the tunnel diode to be designed into enough circuits to make for significant demand figures. In some uses, this device is 100 times faster than a conventional transistor and is only 1% the size and utilizes 1% of the power. Earliest application might be in the computer industry, desirous of going to microwave speeds which the tunnel diode will permit, and IBM has retained Dr. Esaki as a consultant during his one-year leave of absence from his Japanese firm.

Other developments in the solid state field offering great promise are solar cells, solid state devices that convert the sun's heat to electricity and already in use to power the batteries in some of our satellites; thermo-electric generators, which can convert heat directly to electricty, and thermo-electric heating and refrigeration, where it is possible to convert electricity to heat when current is applied in one direction, and to cold when the flow of current is reversed. While a number of companies are doing R & D work in these new fields, it is still too early to determine which of them will emerge as leaders.

At the present, the top quality issue in the solid state field is Texas Instruments, followed closely by Transitron. Fairchild Camera, to be merged with DuMont Laboratories, had been a speculative favorite, but we regard it as less attractive now because of added dilution of its semiconductor effort. Among the smaller more speculative companies, we favor International Rectifier over General Transistor (to be merged with General Instruments).

Expects Two-Fold Increase in Microwave Industry

Microwave technology is an area of electronics that relates to the generation, transmission and receiving of extremely short radio waves. In the electro-magnetic spectrum, microwave lies between the frequencies of TV and those of infra-red. Microwaves can be transmitted in very narrow pencil-like beams over line-of-sight paths. Their applications are many but perhaps the best known is radar, where the signal bouncing back from an object can be used to determine the location and distance of the object. In the days of World War II, radar could detect a plane or ship at 20 to 30 miles. Now it can detect echoes returning from the moon some 250,000 miles distant and from satellites even further away. Microwave is also used in navigation, guidance and control of aircraft and missiles, communications and air traffic control. About 30% of the long distance telephone traffic is handled by microwave (i.e., line of sight transmission from horizon to horizon through relay stations) and a large portion of military communications, TV, telegraph and facsimile transmission is so handled.

Microwave has been extended beyond the limits of the horizon by the use of tropospheric scatter, whereby signals are bounced off ionized layers of atmosphere and deflected back to earth as far as 500 miles away. The DEW line, Texas Towers, White, Alice, Pole Vault and other communications and warning networks use this method for part of their requirements. At present, the military is the largest user of microwave, with industrial uses confined largely to commercial communications, TV and air traffic control. But indications are that the microwave spectrum may be opened up to industrial users under FCC license and this could create an entirely new growth area, as many large corporations are interested in hooking up their nation-wide plant networks via microwave communication.

The microwave industry is presently a $1.5 billion industry, with the prospect of doubling by 1965. There are about a dozen companies that design, assemble, install and service microwave systems, with many of the specialized components procured from outside sources. These companies include RCA, I. T. & T., Raytheon, Sperry Rand, General Telephone, Bendix Corp., GE, Western Electric, Philco and others. With these companies, microwave is a relatively small proportion of their total business and their prospects are largely determined by other factors.

Perhaps the most interesting area of participation in the microwave field is through the power tube, the heart of microwave. These include magnetrons, klystrons, travelling wave tubes and others. Many companies are in this field, specializing in one or more types of tubes, including most of the just mentioned companies and Litton Industries, but again the prospects of these companies are governed largely by other activities. This leaves Varian Associates and Eitel McCullough as the more logical vehicles by which to participate in this field. Varian we regard as the quality issue, while Eimac is more speculative.

The second method of participation is through the companies making microwave components, instruments and test equipment. Many companies are in this but the more interesting include Polarad, FXR, and Microwave Associates. Hewlett Packard is also important in this field, and is undoubtedly the leader, but its activities in instrumentation are so broad as to preclude it from consideration as a microwave company.

Electronic Instruments

Instruments and Controls: This segment of the industry is quite broad and lumped together in it are various types of laboratory, analytical and testing instruments, and instruments used for process control. The market for electronic instruments is estimated at about $200 million; while the market for instruments of all types, including non-electronic devices, is probably around $2 billion. The electronic type instrument is continuously taking a larger share of this market as conventional instruments are becoming less adequate to cope with today's rapid technological developments, calling for the testing,

measuring and analyzing for quality control purposes at various stages of research, manufacture or processing. The top quality company in this field is Hewlett Packard, followed by Beckman Instruments and Perkin Elmer (also in infrared).

The market for electronic instruments for process control purposes is slightly over $100 million, out of a total control market of about $1.8 billion, including electric, pneumatic and hydraulic controls. These instruments are used mainly in industries which process raw materials into finished products, such as the chemical, petroleum, food, dairy, paper, rubber and textile industries. They are labor saving as well as quality control devices. Generally, these instruments indicate, record and control a series of process variables such as temperature, pressure, humidity, flow, liquid level, etc. Most of these control instruments are pneumatic but in recent years electronic controls have been becoming more widely accepted. In some types of installations, this equipment is tied in with a computer which, with the instruction it has in its memory, can make split-second decisions and feed back the proper regulatory and control instructions. Demand for this type of equipment stems mainly from expansion by those industries served or through modernization of existing processes.

This segment of the industry, consequently, tends to follow industry capital expenditures. Principal companies in this field are the Brown Instruments Division of Minneapolis Honeywell, Foxboro, Leeds & Northrop, Taylor Instruments, and to a lesser extent, Fischer & Porter. Recently, Foxboro made an arrangement with R. C. A. to supply electronic instrumentation and computer systems to industry, while Leeds & Northrop made a similar arrangement with Philco. Minneapolis Honeywell has its own computer capability, while Taylor Instruments takes the approach that computers are now sufficiently standardized that they can be purchased as a component for a complete system. Foxboro has been considered the quality company in this field, but Taylor Instruments seemed to offer more value per investment dollar, and still does despite a sharp run-up in recent months. At a more speculative level, Fischer & Porter has some appeal as a low-price vehicle.

While there are other areas of interest in this industry, the foregoing appear destined for the greatest growth over the next several years. Mention should be made, however, of a certain individual issue not included elsewhere.

Litton Industries has been and remains our number one selection for long-term growth investment in this industry. It is probably the only one of the newer companies that has achieved broad diversity of products and markets, and has done it through careful selection rather than happenstance. Through a philosophy of extending its nucleus of electronic technology into any industry in which it can make an important contribution through new and better products, it is now represented in the fields of office equipment, data processing, microwave components and systems, navigation and communication for both aircraft and missiles, counter-measures, commercial communications and facsimile equipment, geophysical exploration, space research and medical electronics. Its growth has been above average and should continue so for a further period of time.

Market Action

Electronic stocks have been spectacular market performers over the past several years, and the more popular equities have been bid up to 40, 50, 60 times current earnings. This situation reflects a number of factors: (1) the demonstrated and anticipated superior rate of growth; (2) the public acceptance of electronics as an outstanding marvel of the past decade and decades to come; (3) the eagerness of investors and speculators to participate in this field where there has been outstanding market performances; (4) the mistaken notion that electronics in itself is an industry and that any company participating in it should share in its great expected growth; (5) the stockholder pressure put on closed-end and mutual funds to show electronic issues in portfolios; (6) a scarcity value, reflecting the great demand for relatively small floating supplies of stock.

The rise of electronic stocks has not been without interruption. There have been several market corrections, severe in nature, occasioned by developments in the military-political field and by periodic investor reappraisals of prospects and prices. Also, individual issues have reacted to adversities peculiar to themselves. The current electronic market has been in a strong upsurge since last summer, interrupted only temporarily by the general market decline earlier this year and more recently, electronic equities as a group are close to all-time high price-earnings ratios.

Justification for present PER's seems to lie in the almost universal expectation that per-share earnings will continue to grow at a 30% to 40% annual rate for the next five years. Whether this will be attainable is at least questionable because of increasing competition in many areas, rapidly changing technology, and continued need for large R & D expenditures. Also, financing will be needed to meet expansion requirements and this generally takes the form of equity or convertible to equity securities, indicating slower per-share earnings growth than for sales.

While we continue to believe that electronics represents one of the great industries of the future and that every portfolio, institutional and individual, should have good representation in it, we advocate a policy of caution. Electronic issues in the past have been known to have had severe market corrections and another one could be in the making. There is a basic law of physics which says "For every action there must be a reaction."

Gives His Own Selections

Basically our philosophy toward this group would be to accumulate top quality issues on a dollar averaging long-term basis in amounts and numbers of issues depending upon account requirements. The nucleus of such a group would be Litton (Diversified), Texas Instruments (Semiconductors), Varian Associates (Microwave) and Hewlett Packard (Instrumentation). As second tier back-up issues we would include Beckman (Instrumentation), Transitron (Semiconductors), Magnavox (Quality TV and good military electronics), and Fitel McCullough (Microwave). Beyond this we would prefer to use the package approach for the many medium to smaller companies which appear to offer excellent long range growth potential in their respective fields, but which carry a higher degree of risk. A sample of such a package would be FXR (Microwave), Giannini (Instruments and Controls), International Rectifier (Semiconductors), Taylor Instruments (Process control), Loral Electronics (Various, including ASW) and Itek (Information storage and retrieval). Others which could be used in this manner include Microwave Associates (Microwave), Baird Atomic (Various, including optical scanner), Barnes Engineering (Infrared), Electronic Specialty (Miscellaneous components and systems) and Laboratory for Electronics (Communication and navigation). Through a series of permutations and combinations a different package for almost everyone could be devised.

*A talk by Mr. Ferguson before various investment groups recently.

Florida Capital Stock Offered

A. C. Allyn & Co., Inc. and associates on July 29 offered 950,000 shares of this corporation's common stock at a price of $8 per share. The offering marks the first public sale of the company's common stock.

Florida Capital Corp. with executive offices in West Palm Beach, Fla., is a closed-end, non-diversified management investment company registered under the Investment Company Act of 1940. It was licensed in November 1959 as a Federal Licensee under the Small Business Investment Act of 1958.

The company intends to specialize in investments in small business concerns engaged either in activities related to the development of land or in the electronics industry. The company will participate in these concerns by purchasing their convertible debentures or other equity securities, by making long-term loans, and by furnishing consulting and advisory services. While the company's investments will probably be made principally in small business concerns operating in the State of Florida, it may make investments in other areas as opportunities arise.

Upon completion of the current financing, outstanding capitalization of the company will consist of 976,664 shares of common stock, $1 par value.

F. H. L. B. Notes Are Offered

Public offering of $160,000,000 of 3⅛% consolidated notes of the Federal Home Loan Banks dated Aug. 15, 1960 and due April 17, 1961 was made on Aug. 3 by the Federal Home Loan Board through Everett Smith, Fiscal Agent of the Home Loan Banks, and a nationwide group of securities dealers. The notes are priced at 100%.

Net proceeds from the offering, together with current funds of the Home Loan Banks, will be used to retire $162,000,000 notes maturing on Aug. 15, 1960.

Upon issuance of the notes offered today and the retirement of the notes falling due on Aug. 15, outstanding indebtedness of the Home Loan Banks will total $1,273,115,000.

Chicago Inv. Women To Hold Luncheon

CHICAGO, Ill. — The Investment Women of Chicago will hold their summer luncheon on Saturday, Aug. 6, 1960 at the Edgewater Beach Hotel — Michigan Room. Irene Forsythe, Smith Barney & Co., is in charge of arrangements.

With Oppenheimer, Neu

Oppenheimer, Neu & Co., 120 Broadway, New York City, members of the New York Stock Exchange, announced that Leonard E. Wagner is now associated with the firm as a registered representative.

Joins Pressprich Staff

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Melvin O. Aronson has been added to the staff of R. W. Pressprich & Co., 75 Federal Street.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

This Isn't a Game

Sometimes I am amazed at the temerity with which certain analysts, researchers, and writers on financial subjects glibly make a superficial analysis of a particular investment or speculative situation. Then they come to a decision, and offer their opinions and conclusions to the investing public. The tendency to give "off the cuff" opinions as to the trend of the market is also prevalent and these reflections come tumbling into the financial press, market letters, and special releases daily. The lot of the financial writer who prognosticates is surely not an easy one. Quite frankly, I am not surprised that more serious minded and independent thinkers, as well as investors and salesmen (believe it or not) are taking some of the chaff that is turned out daily with a substantial grain of salt.

Good Analysts Are Aware of Their Limitations

Certainly the men who labor at the task of reporting the financial doings, and who are expected to come up with suggestions and recommendations of attractive speculative and investment situations, know they are placed on the spot as soon as they open their mouths or put their pen to the paper. The dedicated analysts in this business would be the first to admit their own limitations and shortcomings. During the past several years it seems that financial judgment is rewarded primarily when you are a good guesser as to which industry will be popular, and which stocks in that industry will attract public fancy. The faddism in security selection is today a fact. Earnings, balance sheets, and even a good financial record over the years is almost without meaning unless someone with skill and an accurate sense of timing, plants the seeds in the press, in magazines, and among those who will ultimately convert their cash into stock. This is the day of the propagandist, the advertiser, and the columnist, and the stock market has not been neglected.

Possibly this is an indictment of the current situation as to what the public wants, reads, and acts upon, when it buys or sells common stocks. Investment for income today among the people of medium and smaller means is almost limited to those of retirement age; and simon pure investment therefore has been gradually losing status among individual investors. Institutions and the mutual funds have taken over the investment function to a gradually increasing extent. Back in the twenties when I broke into this business, people bought industrial, railroad, and public utility bonds, yielding from 4 to 6%. These bonds were of good quality and there was hardly any income tax. The professionals who now see the National Daily Quotation bond sheets with their skimpy and sketchy offerings will know what I mean when they remember the activity we used to have in bonds in the days before present day income taxes. There was an incentive for people to save and invest in bonds in those days. Today the accent is on capital gains, which is possibly a polite term to describe gambling on price movements in stocks. I won't argue the point—each to his own. But seriously, a large part of the market letters and financial comment ground out today deals with the speculative price appreciation possibilities of securities, particularly stocks. Who buys corporate bonds other than the insurance companies?

Keep Your Eyes Open

In my considered opinion, the first duty of a security salesman is to assist his customer to select speculations and investments that will provide him either with the most income or the greatest profit, or both. That's why people invest—to make money. If you accept this very plain statement of fact then it also must follow that the salesman who is mature enough to acquire a background of market information, and specific information; and who then can make up his own mind as to what stocks will be the popular investment and speculative favorites is at least better prepared to do a good job for his customers, than if he reads all the stuff he can assimilate day after day and *believes* most of it. The best that he can accomplish by so doing is to become thoroughly confused, and the results he will achieve for his customers will be largely unsuccessful.

This is the day of faddism in the stock market. The investor or speculator who fails to give sufficient weight to this superficial but compelling impetus over stock prices will regret it. Unfortunately, when people invest or speculate in securities, they are turning their hard earned cash into a fluctuating and highly hazardous piece of property. This isn't a game, investing other people's money. It is a serious business. Salesmen, analysts, underwriters, financial columnists, and the public itself could become a great deal more mature in regard to this activity. The welfare of this country depends upon the resources and the initiative of its people—also their judgment as well. A stock market that fluctuates will always reflect what people think — not what things are worth, or what they are. Mature thinking can be applied to investment as well as speculation, but meanwhile the faddist and the propagandist cannot be ignored.

Roy Feltman With Hay, Fales

Hay, Fales & Co., members of the New York Stock Exchange, announced that Roy S. Feltman has become associated with the firm in its Over-the-Counter Trading Department, which is managed by his father, Irving Feltman. The son was formerly associated with Goodbody & Co.

At the same time, the firm announced the removal of its offices to larger quarters at its present location, 71 Broadway, New York.

Now With Harris, Upham

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — George W. Schemel has become affiliated with Harris, Upham & Co., 523 West Sixth Street. He was formerly with Shearson, Hammill & Co. and Quincy Cass Associates.

Holton, Henderson Adds

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—William D. Joye has been added to the staff of Holton, Henderson & Co., 210 West Seventh Street, members of the Pacific Coast Stock Exchange. He was previously with Dempsey-Tegeler & Co.

AS WE SEE IT *Continued from page 1*

ceptable? We do not believe so. Our objection rests upon two considerations, both, we believe, of first rate importance.

In the first place, a mere increase in the total output of the nation as such has no particular meaning—or at least an ambiguous meaning at best—either when related to domestic problems or to the international considerations usually cited as an indication of need for greater growth of "the economy." For example, we might double or treble our output of consumer goods, or of those types of investment which do not materially enlarge our productive capacity, and still be no stronger, possibly even weaker economically speaking, by reason of retardation in the rate of productive investment. And, obviously, a dramatic enlargement of our output of many types of goods would not enable us to be of greater help to the backward and poverty-ridden peoples of the world. We could easily deceive ourselves badly by paying heed only to the total volume of output.

The second objection to this approach to economic growth arises out of the fact that total output during any given period of time is dependent upon two factors, one capacity and the other the degree in which our capacity is being utilized. Thus we may easily deceive ourselves during depressed years into thinking that economic growth has stopped and even turned backward merely because for the time being we are not making full utilization of our capacity—and do so even when capacity to produce is actually growing. Something of this sort has occurred on more than one occasion, or perhaps we had better say that, by taking current output as a measure of growth, partisan politicians—and others, too—have come up with very low growth rates between two arbitrarily chosen points in time.

Now as to all this, is not our capacity to produce at least as important as our current rate of production in measuring our ability to give aid to needy peoples or to create armaments in defense of ourselves? Of course, it is much easier to take output as a convenient measure of growth since the Department of Commerce compiles an estimate of total output at regular intervals and publishes it under the name and title of Gross National Product. It is also much simpler to ignore the product mix presented by our output than to undertake the complex task of keeping account of what it is that is being produced and trying to determine what its meaning is. This is an era, anyway, in which we in this country seem to have developed immense faith in statistical estimates even when nothing more than approximation is at best possible. But all this does not warrant utilization of available figures for purposes for which they are not suited, particularly when we may very well mislead ourselves and possibly our friends quite badly.

Agricultural "Growth"

Take a concrete example. Gross National Product on the farms of this country increased less than 30% from 1929 to 1959 when the effect of price changes are eliminated. According to this rate, that sector of "the economy" has not grown very much, not even as much as has the population which increased around 45%, during the period, and not nearly as much as total output of all goods and services, or upwards of 135%. Yet who can doubt that we could easily exceed the 1929 output of our farms several times over — should we be called upon to feed starving peoples in famine stricken areas? Perhaps it is legitimate to say that our agricultural sector of "the economy" has not grown very much during the past four decades, but certainly such a statement would need a good deal of qualification if it is to have very much meaning.

Production Capacity Important

If, then, capacity to produce is at least an important element in any meaningful appraisal of economic growth, any steps taken by government to promote economic growth must take that fact into full consideration. Mere stimulation of total output—particularly if, as is usually true, such stimulation is largely directed at areas which do not add to the production capacity of the nation—would fall far short of what apparently is expected of it. Obviously "priming the pump" expenditures which merely stimulate consumption would fail to provide the type of growth which would have the greatest significance in the international field, and could very well result in weakening rather than strengthening the productive capacity of the nation. Yet such considerations as these appear not to enter current discussions of growth at all.

There is, of course, still another aspect of programs of recklessly stimulating production of consumer goods and its relation to the various objectives usually cited in discussions of the need, or alleged need, for greater growth of "the economy." That is the matter of natural resources. We are still rich in most of the materials needed for modern production, but our supply is definitely not infinite. In several areas we have already found it necessary to supplement our own supplies of materials. We need to balance the need for growth against a reasonable rate of exhaustion of national resources. Is there no way in which these growth discussions can be brought into the field of realism?

Novices Have Yet to Learn No Easy Money in the Market

Continued from page 1

"on the reaction." However, if "XYZ" happens to be in an important major trend, this may be simply a way of killing the goose that lays the golden eggs.

There is another psychological trap at this point. We read about men who bought some relatively unknown stock at a very reasonable price, and then the company discovered uranium or oil, or gold on the property; or invented some new kind of weapon for killing more people at less cost per life, or who happened to strike a rich vein of public response with some cosmetic or reducing diet, or bowling machine, or a new kind of camera. There have been cases where an investor with a very moderate stake in such a situation has come out rolling in wealth only a few years later. We have known such cases; some of my own clients have on occasion hit just such a jack-pot.

But this, while it may be very gratifying to the Party of the First Part, is not basic. It proves nothing in any large sense, any more than the fact that some English widow won the big Football Pool on a stake of sixpence, or that somebody's neighbor in Stamford drew a winning horse in the Irish Sweeps.

The Stock Market Is No Lark

What is important is the long-pull expectation. And the first thing the average man has to learn is that in addition to being a basic part of the country's economy, the stock market is a tough game; a game in which some of the shrewdest and most experienced men are in effect "betting he is wrong" whether they are selling him stock, or options, or whatever.

The particular results of any one venture in the market, regarded as a speculation, cannot be used as a measure of the soundness or unsoundness of the method. "The method of evaluation" is more important than whether you happened to be lucky enough to scalp a profit in some particular stock that you bought on a hunch. Nor is it important from the standpoint of method that you may have taken a loss on a stock; or several losses on successive transactions.

Let me explain a little further what I mean by "method of evaluation." If we take an ordinary pack of playing cards containing 26 red cards and 26 black ones, and then remove 10 of the black ones, we will have left a deck which has 26 red cards and only 16 black.

If we shuffle these and you are to cut the deck, making an even money bet on whether the cut card will be red or black, you know that the probabilities favor your cutting to a red card. If however, it should turn out to be a black card you would not be justified in feeling that your method was wrong. If, in fact, you were to reshuffle and cut three, four, five times, and each time you lost by cutting a black card, this would still not affect the validity of your opinion that the probabilities favored red. And unless you had evidence to show that the deck had been tampered with, or another deck substituted, it would be the height of folly to make a bet deliberately against the "odds" on the basis that "black was having a run."

The question of how to cope with the market, then, is much more than a matter of hunch, and much more than a matter of trying to copy the "lucky break" of some publicized (and exceptionally fortunate) speculator who has "made a killing." As a matter of fact, the "killing" is more likely to involve **you** than the market if you follow any such unscientific course.

What the Serious Investor Seeks

What we are interested in, that is to say what the serious student of market action is interested in, is what principles "generally" will lead him in the right direction, on balance, and over the long pull. He will be more concerned with the overall results of many, many transactions over a long period of time, than with the flashy "clean-up" in one all-out gamble. He will face the fact that no matter what methods he uses, there will be times when everything seems to go against him, and he must have sufficient experience, sufficient powers of observation, and sufficient courage to maintain his method until such time as he sees a need to change it in some ways; and then he must be ready to make changes as necessary.

Also, it is important for him to realize that even if he were to make several highly profitable gains by gambling most of his capital each time and pyramiding the profits, this road is very likely to lead, sooner or later to a dead-end, when all the profits and all of the original capital would vanish faster than you can say "Margin Call." In almost any broker's board room you are likely to see some wistful, discouraged-looking man worrying over the tape; and someone may point him out to you and tell you that back in 1955 he made a million in some stock or other; but then lost it all in 1957. He is still looking for another lucky break. And he does not realize, (it would hurt too much to see it clearly) that he had simply been the temporary beneficiary of Lady Luck; and that his real problem is that he has never studied and anlyzed the market from the standpoint of establishing a "method of evaluation" and a strategy that would not only make him profits in good times, but would conserve the major part of his capital in times when everything "went dead wrong."

The Hard Work Required

Most stock speculators, especially new and young and enthusiastic ones, are very good on offense; but very, very weak on defense. Furthermore, with all due respect to the breed, they are lazy. They hope for "luck" or they look for somebody else to tell them what to do. They are not able, or at least not willing to sit up night after night and work out the complicated study of the market that is needed if one expects to have more than a lucky chance.

The trouble probably is that most of us at the start tend to regard the market as a fairly "simple" problem, something we can "learn about" casually during noon hour, and doing a little reading and thinking once in a while on a rainy evening. Which is roughly comparable to winning the heavyweight boxing championship by jumping rope for five minutes after work, and reading a book on "How I Became Heavyweight Champion." And for most people the business of learning how to deal with the stock market is complicated by the already heavy demands on their time by their regular work, their family, social and recreational commitments, etc. If they are going to do anything with the market they have got to face the fact that it is going to take a lot of pretty damn hard work on their part. (That, by the way, might apply to almost any field you might mention.)

On the face of it, it looks as though when we deal with the market we are dealing with "economics," or "corporations," and nothing else. Actually, there is a great deal else, and perhaps the most important part.

Since to do anything about anything, the **decisions** have to come from within our own minds, it is most highly important that we know a little about how these minds of ours work. How we "know" what we know? How does something get into our mind that leads us to believe that it is going to rain this afternoon, or that Polly would like a portable radio for her birthday, or that it is time to get a haircut, or that Bethlehem Steel will advance at least 10 points this coming month?

Learning by Experience

What I am speaking of might be called the education of our own central nervous systems. The study of "perception," or how we take in information about the world around us, and attach "meaning" to what we take in. Or you could call it "communications," that is to say, the study of "information" and signals between people, and from things to people, and the logical processes that go on in our minds. It is connected with what Professor Norbert Wiener of the Massachusetts Institute of Technology has called "Cybernetics" or steersmanship, by which we abstract information from the outside world, and use it to control or adjust our behavior; in ordinary language, the process of "learning by experience."

In connection with my own continuing education along these lines I have tried to discover what traps and pitfalls our minds could lead us into; and in my book, "The General Semantics of Wall Street" have attempted to show how all of the financial and business and personal problems we encounter all pass through the same perceptive equipment. If that perceptive equipment is capable of extracting what is important, and rejecting what does not apply, and integrating significant data to arrive at valid conclusions, a man can hope to develop the thing we call "intuition," that is to say, the ability to make "informed guesses" that will generally lead him in the direction of success, or comfort, or safety. And it is just as possible to train one's mind to lead us out of trouble, as it is to train it to lead us into trouble. We are dealing not alone with Wall Street, but most especially with that complicated and powerful evaluating device; the Human Mind.

If someone feels that I have become a bit general and unspe-

cific in the last few paragraphs, he is right. Let me try to correct this.

The newcomer to the market will almost invariably "jump to some conclusions." He will assume that because the affairs of a certain company as shown in the quarterly or annual reports, are improving, therefore the "real value" of the stock must increase. He will assume that there is some simple relationship between the "book value" of a stock and its "market value." "Common sense" will seem to tell him that a stock which has advanced greatly and rapidly, "can't continue to go up," or that it is "overpriced," (forgetting or overlooking the fact that the very reasons the stock is advancing concern the outlook for **next** year, and not the conditions of **last** year). He will buy stocks because "it stands to reason" that "they can't go down much more," not quite realizing that the stock which has declined 90% from $100 to $10 can also decline from $10 to $1 and that both declines would represent an equal dollar loss to an investor who bought at the stated prices.

Novices Love Extremes

The novice investor, and some who are not novices and who should know better, has a great tendency to go "all-out." If the market is "strong" he buys heavily. If the market is "weak" he "sells everything." If there are five stocks that look very good, he will try to pick the "one best" and plunge into it with all he has; not realizing that there are unpredictable factors, and that a small quantity of each of five stocks may be a better investment than a large bloc of only one. In fact it is this all-out tendency that gives meaning to the expression, "Go for broke." Too often it turns out to be just that.

The beginner in the market (and the perpetual freshman who never learns) has a great tendency to be "either—or" about almost any decision. In order to protect his feeble decision-making machinery he must back up the decision with all the confirming evidence he can find; and he will exercise "selective inattention" in **not** taking account of anything that raises a question about the decision. He is likely to be proud of this ability to "make up his mind," and he may consider this a matter of Positive Thinking. Actually, scientific method calls for giving thought to unfavorable facts as well as the favorable ones; and most decisions can be expressed more accurately as a "probability" than as an "**absolute.**"

What **seems** to be at stake in the buying and selling of stocks is the making of profits, or at least the protection of capital. But what is more importantly at stake is the enhancement and protection of a man's "self-regard." And if his semantic orientation is so rigid, so absolute that he has to make all-out decisions, has to be "either—or" about things, and cannot afford to take losses, then his self-regard may be seriously hurt. And to the man who doesn't understand that the real answer to his problem is more study, more understanding of the market and most especially of himself, the result may be that he will apply "more of the same" by making his attitudes **more** rigid, more absolute; and by moving his goals toward an even more impossible "perfection."

What we are looking for, that is to say, what I believe would be a more practical goal than this ego-drive to "beat the market" is simply a passing mark. We don't have to have a perfect record. We can change our methods in detail without feeling "totally wrong," as occasion demands. We can set reasonable objectives, and allow for unusual conditions that may hold us back. We can settle for a greater measure of safety and a moderate drive for profits, and it will pay bigger dividends both in cash and peace of mind over the years than the frantic Search for Glory that seems to actuate so many investors.

One delusion that many investors suffer from is the idea that the way to master the stock market (why is it necessary to **master** the market?) is to "know all about" every situation before making a commitment in it. Tell me, or ask yourself: how is it possible to know **all** about the market, or about Bethlehem Steel, or about even this yellow pencil I hold in my hand? People who feel this way should read Tennyson's little verse, "Flower in the Crannied Wall."

You Can't Know It All

It isn't necessary to "know all." In the first place it isn't possible. In the second place much of the data that is collected and tabulated may not have a significant bearing on the problem. The statistics one collects on gross output, adjusted earnings, industry growth, or whatever may or may not have some ascertainable relation to the prices of stocks. But before spending the time, or risking the capital it seems to me it might be important to establish that the particular facts being collected are relevant to the problem, which is the price of a certain stock as traded on a certain exchange.

Even the most astute observers of "the fundamentals," (and I am thinking, by way of example, of Bernard M. Baruch, as I write) do not attempt to "get it all." Their particular virtues, I would say, consist in being able to know what is important to them in their problem, and what is not. And to be able to see the "similarities" between **this** situation and **that** situation, or the situation **today** and the situation 10 years ago. Also, to be able to see the "essential differences," that is to say, to see what differences in conditions there may be that would "make a difference." And then, to be flexible enough in one's ideas to add, delete, or revise some of the principles one has established, so as to take account of observed changes in the world of reality. On this last point it has been said that some people tend "to make maps more important than territories, even if they are obsolete and inaccurate maps."

Explains His Own Method

My own methods are based on market records; to be specific they are based on the purchases and sales of stocks on the New York Stock Exchange, usually portrayed in the form of daily charts of individual stocks. This "map,," this daily chart does not tell "all," but it represents an integrated opinion, a concensus, which takes account of every fact believed to be significant, as seen by all of the investors in a large free market. The chart is a map of democratic evaluation. From this, based on past experience with thousands of "maps" of other stocks at various times under various conditions it is possible to draw some "conclusions" and arrive at some valid opinions as to the "probabilities." While this is a long way from "being able to predict the market" in any **absolute** sense, it is at least scientific, reasonable, and in practice it has proved "workable."

The question that so often comes up in lecture groups and adult classes is, "How can I learn to be right about the market?" (Meaning, to some, I know, "How can I learn to be **always** right about the market?") The answer, of course, is that one cannot learn to be (always) right. But one can learn how **not** to be "always wrong" or nearly always wrong. I feel that if the student of the market would concentrate on correcting his obvious mistakes; if he would learn to relate facts and to recognize what facts were relevant; if he could restrain his "either—or" and "all-out" tendencies; and be willing continually to revise and change his "maps"; it would not be necessary for him to be a Wizard of Wall Street. For if he could only eliminate the very worst of his faults the law of averages would operate to provide him with the security and profits he seeks.

More Than Half Of the Counties Lost Population

Preliminary 1960 Census figures show 1,580 of the nation's 3,072 counties, more than half the total, lost population during the 1950-1960 decade despite the 28 million population gain registered for the nation as a whole. According to the U. S. Dept. of Commerce, losses for some counties were so small, however, that final figures may reduce the total number of counties for which losses are reported. In 1950, the Census figures showed 1,516 of the then 3,070 counties had lost population during the previous decade despite a national population increase of more than 19 million.

Below is a list of the States and the number of counties that gained and lost population during the 1950-1960 decade:

	Number of Counties	Gained	Lost
United States:	3,072	1,492	1,580
Alabama	67	22	45
Alaska	(*)	(*)	(*)
Arizona	14	11	3
Arkansas	75	7	68
California	58	51	7
Colorado	63	26	37
Connecticut	8	8	0
Delaware	3	3	0
Florida	67	54	13
Georgia	159	62	97
Hawaii	5	1	4
Idaho	44	25	19
Illinois	102	51	51
Indiana	92	73	19
Iowa	99	37	62
Kansas	105	34	71
Kentucky	120	33	87
Louisiana	64	45	19
Maine	16	9	7
Maryland	23	20	3
Massachusetts	14	12	2
Michigan	83	66	17
Minnesota	87	47	40
Mississippi	82	21	61
Missouri	114	28	86
Montana	56	30	26
Nebraska	93	19	74
Nevada	17	13	4
New Hampshire	10	9	1
New Jersey	21	20	1
New Mexico	32	16	16
New York	62	51	11
North Carolina	100	61	39
North Dakota	53	11	42
Ohio	88	78	10
Oklahoma	77	12	65
Oregon	36	29	7
Pennsylvania	67	41	26
Rhode Island	5	4	1
South Carolina	46	25	21
South Dakota	67	25	42
Tennessee	95	36	59
Texas	254	109	145
Utah	29	16	13
Vermont	14	6	8
Virginia	98	53	45
Washington	39	26	13
West Virginia	55	11	44
Wisconsin	71	31	40
Wyoming	23	14	9

(*) Alaska has no county organization, and no basis for comparison is available.

With J. A. Hogle

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Robert H. Schock is now with J. A. Hogle & Co., 507 West Sixth Street. He was previously with William R. Staats & Co.

Rejoins Wm. R. Staats

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Cal. — Chadwick E. Richey has rejoined William R. Staats & Co., 640 South Spring Street, members of the New York and Pacific Coast Stock Exchanges. Mr. Richey has recently been with Eastman Dillon, Union Securities & Co.

Dean Witter Office

BERKELEY, Calif.—Dean Witter & Co., has opened a branch office at 2068 Center Street under the direction of William P. Bradford, a partner in the firm.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The money and capital markets are putting the finishing touches on the August refunding operation of the Treasury. And, in view of the strong and improving condition of these markets, the 3⅛s due Aug. 1, 1961, and the 3⅞s due May 15, 1968, are reportedly moving into strong hands. The fact that the Government kept the amount of the bonds which were offered in this refunding to a modest figure of $1,000,000,000, and reopened the 3⅞s, a small issue with not too long a due date, was favorable to the capital market as a whole. This short bond, due in 1968, does not crowd or compete with non-Federal bonds which are being offered mainly in the longer maturity area.

The short-term sector of the money market continues to have a favorable tone because the demand for near-term liquid Government obligations is as large as ever, sparked in some measure now by the uncertain economic conditions.

The New Issues

The Treasury announcement last week that the August maturities would be provided for through the flotation of $7,750,000,000 of 11½ month 3⅛% certificates (due Aug. 1, 1961) and $1,,000,000,000 of an 8-year 3⅞% bond (maturing on May 15, 1968) was pretty much in line with expectations of the money and capital markets. There was, however, more than a passing amount of opinion that the Treasury would make a real long-term bond part of the package deal, with a reopening of the 4s of 1980 considered to have been a distinct possibility.

In this refunding operation the Government will be re-borrowing $1,650,000,000 less than it is paying off, and will save more than $200,000,000 in interest payments alone in the next year because of the lower coupon rates on the new issues.

The shorter maturity, the 3⅛% certificate due Aug. 1, 1961, will meet the requirements of the Federal Reserve Banks, the largest owners of the 4¾s due Aug. 15. The $1,000,000,000 of 3⅞% bonds due May 15, 1968 should have attraction for not only certain owners of the August maturities but also for not a few institutions and individuals since the maturity is not too long and the yield is favorable. In addition, the feeling is strong in the capital market that bond yields will continue to decline and this reopened bond issue should share in this move.

The fact that the Treasury reopened the 3⅞s which were first offered on June 23, and then only in the amount of $1,000,000,000, of which $100,000,000 was reserved for agency accounts, was also a favorable factor for the bond market. It had been expected in some quarters the Government would try and obtain about $2,000,000,000 on new bonds in this operation, with a maturity date considerably longer than that of the 3⅞s of 1968.

Cash Refunding a Success

This cash refunding was the initial one for the Treasury and, according to indications, it turned out to be a successful operation (very small allotments) even though some of the owners of the maturing obligations did not get as many of the new securities, mainly the 3⅞% bond selling at a substantial premium, as they would have liked to have had. How the Treasury will handle future refundings is still supposed to be pretty much of an open matter, with the condition of the money and capital markets probably dictating the method which will be used.

The fact that the Government took care of the August maturities without offering a real long-term bond brings forth the opinions that the Treasury, in its expected "forward refunding," may want to use just such an obligation. If the coupon rate is high enough the owners of the outstanding bonds will most likely be attracted to an issue with an extended due date.

Implications of Margin Cut

The long expected and much talked about reduction in margin requirements was announced last week by the Federal Reserve Board when they cut the amount of cash which is required to purchase common stocks (on margin) from 90% to 70%. It is evident from the available data that the credit which had been going itno the equity market has been only slightly on the increase, with a pattern of stability pretty much the current condition. By lowering margins the Federal Reserve Board will now make it possible to increase the credit that will go into the common stock market. This could also increase the money supply and the purchasing power.

The monetary authorities, however, in reducing margins, are indicating that the inflation threat is still dormant and the economy as a whole continues to be on the defensive. It is evident that the course of business is going to dictate the amount of credit that will be available in the future.

Milwaukee Co. to Appoint Neumann

MILWAUKEE, Wis.—On Aug. 11 Marvin Neuman will become Assistant Treasurer of the Milwaukee Company, 207 East Michigan Street. Mr. Neumann is the firm's Controller.

Brandenberger With Hutton Co.

HOUSTON, Tex.—E. F. Hutton & Co. has announced that John W. Brandenberger has been appointed manager of the new, Houston-based, Texas Municipal Bond Department of E. F. Hutton & Co. The firm's Houston office is located at 901 Rusk at Travis. Mr. Brandenberger was formerly a partner in Moreland, Brandenberger & Currie.

With Shearson, Hammill

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Cal. — George E. Burnett and John F. Carter have become affiliated with Shearson, Hammill & Co., 235 Montgomery Street. Both were formerly with Schwabacher & Co.

Join Henry, Franc

(Special to THE FINANCIAL CHRONICLE)

BELLEVILL, Ill. — Elmer L. McCarron and Mrs. Laura LeTourneau have become associated with Henry, Franc & Co., of St. Louis. Both were formerly with Fusz-Schmelzle & Co., Inc.

STATE OF TRADE AND INDUSTRY

Continued from page 4

inventory paring, higher labor costs, and foreign competition.

Steel service center stocks have continued to rise since the strike while consumer demand contracted. The situation has generated severe price cutting.

There is tough price fighting in some machine tool lines, such as engine lathes. Despite this, the industry expects prices to go up later this year. Probable timing: The Machine Tool Exposition—1960 in Chicago, Sept. 6 to 16. A fair guess is that 10% will be a typical boost.

A *Steel* survey indicates weakening prices and price cutting on many kinds of components metalworkers buy, including fasteners, gears, stampings, castings, forgings, electrical components, motors, and bearings.

Most of the sales and purchasing managers told *Steel* they should know in 30 days how long the price cutting will continue. Two favorable signs: Inventory paring is about over, and a general business upturn is expected in the fourth quarter.

Stock cutting by metal buyers has gone about as far as it will go, a *Steel* quarterly survey shows. Inventories have been dropping for the last two quarters.

A stabilizing trend, which suggests an upturn in purchases may be near, is appearing. More than 66% of the respondents expect stocks to be at present levels at the first of the year. Nearly 27% predict lower inventories.

Last minute buying in the steel industry indicates a further shrinkage of consumer inventories. One big mill reports that orders received after July 1 were 35% larger than those on the books at the start of the month.

The industry looks for a modest improvement in steel orders, output, and shipments this month. *Steel* estimates August steelmaking operations will average about 57% of capacity (vs. 51% last month).

Last week, mills operated at 53.8% of capacity, a half point below the previous week's revised rate. Output: 1,533,000 ingot tons.

Scrap, a bellwether of the steel industry's operating rate, advanced last week despite a lack of heavy mill purchases. *Steel's* price composite on No. 1 heavy melting grade was up 16 cents to $31.83 a gross ton, highest since May.

Despite disappointing sales, U. S. aluminum producers are set primary to turn out record tonnage this year. *Steel's* forecast: Close to 2,060,000 tons (vs. 1959's record 1,953,175 tons). The industry produced 1,007,393 tons in the first half and is currently producing at an annual rate of 2,061,000 tons.

While hopes are high for a fourth quarter rebound, producers will end the year with pretty hefty unsold stocks (they're estimated at 30 days and up now).

This Week's Steel Output Based on 55.1% of Jan. 1, 1960 Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *97.7% of steel capacity for the week, beginning Aug. 1, equivalent to 1,570,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compared with the actual levels of *94.6% and 1,520,000 tons in the week beginning July 25.

Actual output for last week beginning July 25, 1960 was equal to 53.3% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity is 55.1%.

A month ago the operating rate (based on 1947-49 weekly production) was *74.9% and production 1,203,000 tons. A year ago the actual weekly production was placed at 318,000 tons, or *19.8%. At that time the industry was virtually closed down due to a strike of the steel union.

*Index of production is based on average weekly production for 1947-49.

Car Output Lower Than in 1959 Week

All of General Motors new medium-priced compact cars will be in production by October, according to *Ward's Automotive Reports*.

While the output of the 1961 Buick Special is now in progress, *Ward's* said that the September projection for the Oldsmobile F-85 is 5,700 units.

An estimated 4,800 Pontiac Tempests will be built in October, *Ward's* said.

The statistical agency said that U. S. auto production dipped 4.3% in the week ended July 30, although Ford Motor Co. resumed normal operations. U. S. manufacturers turned out an estimated 107,330 cars contrasted to 112,179 in the previous week. In the same week last year 122,518 cars were produced.

Ward's said that General Motors share of the week's output was 56.5% while Ford Motor Co. accounted for 34.5% and American Motors, 9%.

An estimated 437,750 cars have been built in July compared with 555,410 a year ago. During June of this year, 613,147 cars were assembled.

Ward's attributed the lower monthly production total to the early closeout of 1960 model run by Chrysler Corp. and Studebaker-Packard and Ford Motor Co.'s Cleveland stamping plant strike during the month.

Ford's compact car lines scheduled production on a six-day basis this week while most assembly plants worked five days, including American Motors. Buick phased out its 1960 model run on July 29.

The reporting service added that truck output increased 6.8% during the latest week. Total units were 22,095 vs. 20,680. Most truck plants operated on a five-day schedule. However, Chevrolet's Atlanta line was closed all week and its Janesville line was down three days for inventory adjustment. White Motor at Cleveland was on vacation.

Electric Output 7% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday July 30, was estimated at 14,746,000,000 kwh., according to the Edison Electric Institute. Output was 321,000,000 kwh. above that of the previous week's total of 14,425,000,000 kwh. and showed a gain of 971,000,000 kwh., or 7% above that of the comparable 1959 week.

Car Loadings Rise 15.5% Over 1959 Week

Loading of revenue freight for the week ended July 23, 1960, totaled 619,784 cars, the *Association of American Railroads* announced. This was an increase of 83,389 cars or 15.5% above the corresponding week in 1959, which was affected by the nationwide strike in the steel industry, and an increase of 11,719 cars or 1.9% above the corresponding week in 1958.

Loadings in the week of July 23 were 12,703 cars or 2.1% above the preceding week.

There were 9,563 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended July 16, 1960 (which were included in that week's over-all total). This was an increase of 2,032 cars or 27.0% above the corresponding week of 1959 and 4,561 cars or 91.2% above the 1958 week.

Cumulative piggyback loadings for the first 28 weeks of 1960 totaled 294,524 for an increase of 75,932 cars or 34.7% above the corresponding period of 1959, and 159,321 cars or 117.8% above the corresponding period in 1958. There were 53 class I U. S. railroad systems originating this type traffic in the current week compared with 50 one year ago and 40 in the corresponding week of 1958.

Intercity Truck Tonnage Was 1.2% Below Level of 1959 Week

Intercity truck tonnage in the week ended July 23, was 1.2% below the volume in the corresponding week of 1959, the *American Trucking Associations, Inc.*, announced. Truck tonnage was 2.4% ahead of the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at more than 400 truck terminals of common carriers of general freight throughout the country.

Lumber Shipments Were 0.4% Below Production During Week Ended July 23

Lumber shipments of 464 mills reporting to the *National Lumber Trade Barometer* were 0.4% below production during the week ended July 23, 1960. In the same week, new orders of these mills were 3.3% below production. Unfilled orders of reporting mills amounted to 30% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 16 days' production at the current rate, and gross stocks were equivalent to 53 days' production.

For the year-to-date, shipments of reporting identical mills were 3.3% below production; new orders were 4.9% below production.

Compared with the previous week ended July 16, 1960, production of reporting mills was 21.5% above; shipments were 20.6% above; new orders were 2.0% below. Compared with the corresponding week in 1959, production of reporting mills was 10.8% below; shipments were 14.2% below; and new orders were 19.0% below.

Upturn in Business Failures for July 28 Week

Commercial and industrial failures rose to 293 in the week ended July 28 from 259 in the preceding week, reported Dun & Bradstreet, Inc. At the highest level in the last five weeks, casualties were noticeably heavier than a year ago when 252 occurred, and also exceeded the 271 in the comparable week of 1958. Also, business mortality edged 2% above the pre-war level of 291 in 1939.

Most of the week's upturn took place among failures involving liabilities of $5,000 or more, which climbed to 262 from 230 in the previous week and 228 a year earlier. Small casualties under $5,000 numbered 31 compared with 29 last week. Liabilities ranged above $100,000 for 36 of the week's failing concerns as against 37 in the preceding week.

Wholesale Food Price Index Unchanged From Prior Week

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., stood at $5.91 on July 26, unchanged from a week earlier, but was down 0.8% from the $5.96 of the similar date a year ago.

Moving upward in wholesale cost this week were wheat, bellies, milk, eggs, and hogs. Lower in price were flour, corn, rye, oats, hams, sugar, coffee, cottonseed oil, cocoa, and potatoes.

The Dun & Bradstreet, Inc. Wholesale Food Price Index represents the sum total of the price per pound of 31 raw foodstuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Down to Lowest Level Since June 1950

Reflecting lower prices on some grains, lard, sugar, lambs, hides, cotton and rubber, the Daily Wholesale Commodity Price Index dipped to 268.94 (1930-32=100) on Friday, July 29 and remained at the same level on Monday, August 1. This was the lowest level since the 268.30 on June 30, 1950.

Although trading was good, corn prices dipped somewhat during the week as supplies were ample. With an increase in new crop offerings, oats prices declined slightly despite steady transactions.

Both domestic and export buying of wheat expanded from the prior week and prices climbed moderately. In some markets there was a shortage of boxcars and storage space for wheat. There was a slight increase in rye prices and volume was steady. Smaller than expected stocks, unfavorable weather conditions in some growing areas, and a better oil and meal market helped soybean prices move up appreciably from a week earlier.

A moderate decrease occurred in flour prices as trading lagged. Although export interest in rice moved up, domestic trading showed no change from the preceding week and prices were unchanged. Negotiations were pending for sizable quantities of rice to be sold to India, Indonesia and Pakistan.

Sugar trading slackened during the week and offerings expanded resulting in a slight dip in prices. Volume in coffee was light and prices moved within a narrow range finishing unchanged from a week earlier. Cocoa prices slipped reflecting dull trade.

A fractional increase occurred in hog prices as trading moved up; there was a slight rise in salable supplies in most markets. Wholesalers reported a slight rise in prices on steers despite sluggish transactions. Lamb prices dipped slightly from a week earlier, but volume was steady.

Spot cotton prices on the New York Cotton Exchange finished fractionally lower than the prior week as trading was sluggish. Exports of United States Cotton in the week ended last Tuesday were estimated at 132,000 bales, compared with 79,000 a week earlier and 23,000 in the comparable week last year. For the current season through July, exports were estimated at 6,892,000 bales, as against 2,765,000 in the comparable period a year ago.

Retail Trade Close to Prior Week and Year Ago

Continued clearance sales promotions and pleasant weather in many areas held over-all retail trade close to the prior week and volume showed little change from a year ago. While the buying of men's apparel, furniture, linens, and new passenger cars was up somewhat from last year, interest in most major appliances, floor coverings, and draperies was down somewhat. Purchases of food products and women's apparel remained unchanged from the similar 1959 week.

The total dollar volume of retail trade in the week ended July 27 was from 1% below to 3% higher than a year ago, according to spot estimates, collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: Mountain +2 to +6; Middle Atlantic +1 to +5; East North Central 0 to +4; West North Central —1 to +3; New England, East South Central, and West South Central —2 to +2; Pacific Coast —3 to +1; South Atlantic —5 to —1.

Nationwide Department Store Sales Up 3% Over 1959 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended July 23, 1960, show an increase of 3% over the like period last year. In the preceding week for July 16, an increase of 1% was reported. For the four weeks ended July 23, a 1% increase was registered over the same period in 1959 while the Jan. 1 to July 23 period showed a 2% increase.

According to the Federal Reserve System department store sales in New York City for the week ended July 23 were 9% above the like period last year. In the preceding week ended July 16, sales were 3% above the same period last year. For the four weeks ending July 23 a 6% increase was reported over the 1959 period, and from Jan. 1 to July 23 there was a gain of 6% above the level achieved in the 1959 period.

Complete Oroville Dam Financing

A check for $63,997,533.65, net proceeds of a bond sale for construction of the Oroville (Calif.) Dam, is given to D. D. Updegraff (right center) president of the Oroville-Wyandotte Irrigation District, by James A. Felchlin, resident partner in San Francisco of F. S. Smithers & Co.

Looking on are William H. Hildeburn, Jr., (left) Salomon Bros. & Hutzler, joint managers with Smithers in the underwriting group, and William W. Bertram, (far right) trust officer, Bank of America.

Construction plans for four storage reservoirs, three power plants, dams, tunnels and irrigation facilities are now being completed and actual clearance of land for the dam is underway.

Smithers & Salomon Bros. & Hutzler jointly headed an underwriting group which offered the bonds publicly on June 21, 1960.

Consumer Credit Industry Faces Serious Problems

Continued from page 7

public knowledge and acceptance of our business so there is no longer the necessity to include the original restrictions, regulations, and "percent per month" statement of the rate of charge in laws today.

Model Law Experiences

A couple of years ago the attorneys and principals of five of the larger companies arranged to get together to see if we could draft a proposal for a "Model Consumer Finance Law." Somehow or other the task was delegated to our office to make up the first proposal to be circulated for discussion among these five companies. As I recall, we started out with a six- or seven-page draft of all we considered essential in a good installment loan law. Before we finished, approximately a year later, after innumerable meetings, this document had grown to approximately 20 pages, as each and every one had their own ideas, some peculiar experience or an unusual situation in a particular State, and insisted some provision be included with respect thereto. As I reviewed this, I couldn't see where they had materially improved on our first draft, and they had certainly included many provisions increasing the cost of our operations.

Our own National Association appointed a similar committee to come up with a proposed "Model Law," which is in process and preliminary drafts have been prepared. This committee separated loans into two classifications—loans up to $1,500 and loans over $1,500. Separate proposals for a "Model Law" have been drafted for each classification. The strange part of the situation is that the proposal dealing with loans up to $1,500 contains 35 pages, while that covering loans over $1,500 contains only seven pages. In my opinion the latter is just as effective and will accomplish the same objective with respect to both classes of loans, at much less cost than the first.

From my experience, most if not all of the restrictive provisions in our present loan laws have been brain-children of someone in the industry itself. It seems that each one who works on proposed legislation feels required to add one section, and this is generally another limitation or restriction.

Criticizes Archaic Operating Practices

For many years Consumer Finance companies have operated under loan legislation in most of our States. We have all seen and been a part of an industry of which we can be justly proud—a business which has expanded and grown and served the needs of the public. However, I am firmly convinced our business is really starting to suffer because it has not kept its own operating practices abreast of the times—we are trying to get into outer space in a horse and buggy. The cost to the loan industry and to the borrower of operating with obsolete tools is astronomical!

The economic views of our country have changed and if our business is to prosper and grow—or in fact hold its own—in the Sixties, we must change our view and modernize our outlook to keep abreast of the thinking of the rest of the business community. We must start from a new approach, not merely amendments by adding a section here or changing one there in the old-fashioned "remedial" small loan laws. We haven't yet taken a really new and modern approach. Isn't the answer to the basic problem that we ought to "junk" the old small loan laws and start anew?

Calls for a New United Effort

I know the Consumer Finance industry can sell a new approach. Where the Banks, Industrial Banks, etc. have actually "pushed" legislation for Consumer Credit, they had no difficulty in selling legislatures on enacting simple enabling legislation. When the Sales Finance business sought legislation, it too experienced no real difficulty in pointing out the desirability of simple, workable statutes. So we too must take the same approach, and with united effort it will succeed.

I have been told for a lawyer to hold such views I have ignored or failed to take into account the social justification or consider the legal basis of the Small Loan business and the constitutional problem of classifications, etc. All these things have been important, but with the present tendencies of our courts, I feel, again speaking as a lawyer, the social justification is no longer necessary and the constitutionality of an enabling act would not have much difficulty before the Supreme Courts of our States.

As an executive of my company, I have been told such views do not recognize the present tendency of some "fringe" members of our industry to gouge and cheat the public. I feel this is highly overstated. While there are those who would be short sighted enough to try to circumvent an enabling act, I feel without great difficulty sufficient sanctions can be written into the law to stop the cheats and yet allow the ethical, responsible business concern to engage in business in an efficient and productive manner. The problem in our present small loan law is the regulatory and restrictive measures adopted to stop the few who have become a strait jacket for the entire industry.

Where Should a New Approach Begin?

Just where should a new approach begin? I have heard the idea expressed the proper thing for the loan business is to propose a simple amendment to the Usury Law—let anybody operate under it, and provide a severe penalty for overcharges. Personally, I might be inclined to agree with this view, but I am afraid the industry has not yet reached this point. By holding this as the ideal on one hand, we should try to approach it as closely as possible, and certainly legislation should not be any more restrictive than necessary to protect the public and permit operations to be conducted thereunder in the most economical way possible.

I would list the requisites of a good, constructive, adequate, progressive Consumer Installment Loan Law as follows:

A simple licensing provision, allowing any one with a good character and reputation and sufficient financial resources to obtain a license. Our present licensing tests of "convenience and advantage," etc., are a throw-back to remedial days and are totally unnecessary, unworkable, and help keep the "loan shark" stigma on our business.

Rate Statement for Borrowers

We should have a rate statement which actually tells the borrower for what and how much he will pay. It should contain a maximum interest charge sufficient to pay the costs of the money lent, with a reasonable profit thereon. Secondly, it should provide separately for sufficient fees to cover the services of making and handling the loan. Some charge should be made for delinquency, and a provision made for refunds in the event of prepayment. The rate section should be simply drawn so it is easily understood by the lender and the borrower. Such a provision is workable, easily explained and understood, and is not subject to demagogic attack.

There should be some penalties included in the bill for an overcharge or for doing business without a license.

A provision should be made for full disclosure to the borrower of the amount of charges in connection with his loan.

A provision should be included enabling the lender to require credit insurance on exactly the same basis as any other credit-granting agency. It is inconceivable to me how we have permitted special provisions to be inserted in loan laws with respect to credit life and credit accident and health insurance, fixing premiums or providing restrictions which differ from the general credit field, as though we were one breed of cat and all our competitors were another. This again is a throw-back to the idea of remedial legislation. Insurance written in connection with consumer loans, sales finance, or what have you, should be controlled by the insurance laws—not by specific provisions in loan laws. Of course the lender arranging for such insurance should be compensated for its services and entitled to a reasonable profit therefrom.

Other Provisions

Other than these, what provisions do we need? The above clude the three elements which we have always been told are necessary to produce sound loan legislation. From the standpoint of the general public, it puts the state in our business by requiring us to have a license. From the standpoint of the borrowing public, it gives full protection by reason of the full disclosure and penalties for overcharges. From the standpoint of the lender, it gives him a workable rate provision which permits efficient operation of his business . . . it puts him in a position to compete with other credit-granting agencies.

If we will adopt an approach such as outlined above which, I repeat, fully protects the borrowing public and enables the small loan lender to at least compete, we will get away from much of the controversy which has plagued our business.

As I have said, all of this entails a new look at our business. We must get off the defensive and take a position as responsible members of the business community who are asking for no more than reasonable statutes which will enable us to carry on our business at a profit and to the better service of the public.

Warns of Government Entry

What I have said about our own Consumer Finance companies applies in varying degrees to all the institutions engaged in this business. I am sadly afraid if we do not get away from these restrictions and the hodge-podge of state laws, we will see the entrance of the Federal Government into the direct regulation of the Consumer Installment Credit business. In my opinion, such a step would be the farthest thing from "constructive, adequate and progressive" legislation.

Over the past three or four years we have seen increasing governmental interest and activity in the Consumer Credit field. All of us well remember Regulation W, the expressed purpose of which was a wartime and emergency regulation. However, even though it is not in existence today, almost every year some bill is introduced in Congress along these same lines.

Last year Senator Gore of Tennessee introduced the so-called "Finance Companies Registration Act." This would have required lenders and sales finance companies to furnish full financial reports to the Federal Government. The purpose? None was ever stated.

This year we are all familiar and have read and heard of Senate Bill number 2755, which has become known as the "Douglas Bill," and the one in the House, H. R. 11867, introduced by Congressman Oliver of Maine. These bills purport to require full disclosure of rates of charge. In the Senate a great many hearings have been held and witnesses from all sides of the credit-granting industry have appeared. The Douglas Bill has been introduced under the guise of "economic stabilization," while the one in the House purports to have as its purpose the "stopping of alleged fraud and deceitful practices" in Consumer Installment Credit. On May 12 Representative Karth of Minnesota joined in and introduced H. R. 12171 which, for all practical purposes, is a copy of the so-called "Douglas Bill," as amended by the Senate sub-committee.

Generally speaking, these bills would require so-called disclosure of the dollar cost involved in interest, fees and charges including such items as insurance premiums, recording fees, etc.) in connection with any credit transaction which involves a charge of any kind, and then require that the dollar cost be translated into an expressed percentage of the principal amount per annum.

Impracticality of Proposed Disclosure Laws

In the first place, any such proposals (which are a throw-back to the proposition that debt of a consumer is bad and you should be required to portray it in the most unfavorable light) are impractical because in computing simple interest on installment obligations with a dollar-cost, no two people ever come up with the same result. Conversely, when trying to compute dollars of cost under a "percent per month" type of statute no one ever comes up with the same figure on the dollars.

I think I can say without fear of contradiction the Consumer Credit Industry as a whole has been striving since the early 1930's to provide the borrower, or purchaser, with a full disclosure of the charges in terms of dollar cost, which he really understands. As a result of these efforts, we find almost every state in the country has already enacted or is considering legislation to accomplish this.

There are several other features of these proposed bills which are very objectionable. For example, these measures provide, among other things, that anyone who fails to comply is liable for damages of $1,000 or double the amount of charges involved, whichever is the lesser, and for attorney fees to the so-called "aggrieved" party. What a fertile field for certain types of lawyers! In addition, the bills provide very stringent penal provisions for violations.

These bills are another attempt by the liberal bloc in Congress who have now discovered there is a political appeal in such proposals which they claim "protects the consumer," whether or not the consumer needs or desires such "protection") to take away from the states a few more of their rights and to subject this segment of the business community to a great bureaucratic control from Washington. The expense involved in setting up and enforcing such legislation would take millions of our tax dollars. It would require a regulatory power or agency as big or bigger than the O. P. A. to attempt any type of enforcement. However, this is just another one of the steps directed toward transferring power over business from the states to the Federal Government, and I predict unless the Consumer Credit Industry not only vigorously opposes these, but comes forth with constructive, sound legislative programs to be enacted in all the states, it will be a forerunner to rate regulation out of Washington, D. C., as well as regulation of all other phases of our business.

If we don't awaken to the challenge and get these loan laws—all Consumer Credit laws—on a simple, workable basis which people understand and which are easy and economical to operate under, we will have no one to blame but ourselves if we do wind up subject to Federal regulation.

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*An address by Mr. Williams before the Consumer Credit Management Conference Panel Conference, Graduate School of Business, Columbia University, Arden House, New York.

Nat'l Bank Women to Hear

LOS ANGELES, Calif. Prominent speakers from the banking law, education and motion picture fields will address the 38th annual convention of the National Association of Bank Women, Oct. 10 to 13 at the Huntington-Sheraton Hotel, Pasadena, according to an announcement by general convention chairman Mrs. Louise Crew, Assistant Cashier, First Western Bank and Trust Co., Pasadena Main Office, Pasadena.

They are:

Carl Bimson, President, American Bankers Association, and President of Valley National Bank, Phoenix, Ariz.

Milton F. Darr, Jr., President, American Institute of Banking, and Vice-President, La Salle National Bank, Chicago.

Hon. Mildred M. Lillie, Justice of the Appellate Court, State of California.

Mrs. J. Maria Pierce, educator and civic leader, Pasadena.

Jerry Wald, 20th Century-Fox Film Corp., producer.

Miss Helen L. Rhinehart, President, National Association of Bank Women, and Vice-President, Brenton Companies, Des Moines.

In addition, there will be panel discussions covering "Women's Viewpoint in a Changing World" and "The Changing World of Banking."

All NABW members hold executive positions in banks. The group, organized in 1921 with 16 members, now lists more than 3,500.

Stovall Research Mgr. For E. F. Hutton Co.

Robert H. Stovall has been appointed manager of the research department for E. F. Hutton & Company, 61 Broadway, New York City, New York Stock Exchange members, it has been announced by Richard B. Fant, partner in charge of investment research and advisory services.

Mr. Stovall, joined the brokerage firm in 1953 as a senior securities analyst.

With Eastman Dillon

PHILADELPHIA, Pa. — Eastman Dillon, Union Securities & Co., members of the New York Stock Exchange and other leading exchanges, announce that William B. Harrison is now associated with their Philadelphia office, Philadelphia National Bank Building, as a registered representative.

With Hayden, Stone

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Me.—Paul E. Parks has become connected with Hayden, Stone & Co., Casco Bank Building.

Public Opinion—Achilles Heel Of U. S. Business Overseas?

Continued from page 13

disregard the company's efforts as propaganda.

So, What Should American Business Do About the Situation?

The indispensable first step is for top management to give serious attention to its public opinion situation abroad. This should receive the same kind of organized executive attention as the company's financial, manufacturing and marketing activities. There are several reasons why the public opinion area deserves this kind of top management attention:

1. We know from substantial American experience that favorable public opinion helps sales whereas unfavorable public opinion hurts sales. It is simply common sense for customers to prefer to buy consumer or industrial products from companies they know and regard highly. That is why there is a strong correlation between company recognition and reputation, and sales success. And this is even more pertinent abroad where many U. S. firms are comparatively unknown and must acquire sufficient recognition and reputation to compete effectively with long-established local companies.

2. We know from American experience that favorable public opinion helps attract capable employees and develop managerial talent. On the other hand, unfavorable public opinion is a serious obstacle to recruiting and developing qualified personnel. People naturally prefer to work for companies that have high prestige. This is especially important abroad where U. S. firms must compete for relatively scarce skills and talents with prestigious national companies.

3. We know from American experience that favorable opinion among employees, their families and community neighbors helps improve productivity, product quality and plant safety. Conversely, unfavorable opinion among employees tends to impair labor-management relations, reduce productivity, and increase costs. Workers naturally feel more cooperative toward managements which encourage "two-way" communications and consultation. This is also quite important abroad where many labor unions are more radical, and workers more suspicious of American management than in the United States.

4. We know from American experience that favorable public opinion enables management to function with maximum flexibility and efficiency; whereas unfavorable public opinion invites governmental harassment which hampers efficiency and boosts costs. Government naturally tends to intervene in the economic sector when private enterprise appears to be unresponsive to public opinion. This is extremely important abroad where public opinion is basically skeptical of American business, and public officials are tempted to curry popular favor by cracking down on large U. S. companies.

These and other public opinion factors can, over a period of years, make a considerable difference in the profitability of an enterprise. They can mean the difference between a losing venture and a successful venture. In extreme cases where cumulative grievances beget expropriation, they can even mean the difference between a successful enterprise and no enterprise at all.

Then, How Does Top Management Tackle the Public Opinion Job?

It should begin with an analysis of the company's public opinion situation in its principal operating areas overseas. This analysis requires a clear definition of the various groups that are interested or involved in the company's activities, and whose understanding and support are essential to its success. These groups usually include:

The company's employees and their families

Other residents of communities where the company operates

Local, regional and national government

The company's shareowners and prospective investors

Customers and prospective customers

Licensees, dealers and distributors

Suppliers

The business and financial community

Communications media (press, trade journals, television, radio)

These groups should be precisely defined and ranked in order of importance. This, of course, will vary according to the company's operations in different countries.

Then representative samples of each important group should be interviewed to determine:

What proportion of the group knows of the company

How many of these people know what the company does, what products it makes

What these people think about the company's policies and products

What they consider the company's relative strengths and weaknesses

What they would like to see the company do in the future

Where they get their information and impressions about the company

Such an audit is extremely valuable to management, especially in overseas operating areas. It pinpoints public opinion problems and opportunities that otherwise might be overlooked. It enables management to gauge the relative importance of such problems and opportunities, and thereby establish specific objectives for its public relations activities. And it provides management with a bench mark against which to measure the effectiveness of its public relations program by subsequent surveys of the same groups.

What Does An Audit Disclose About Company Policy?

The process also identifies any possible policy deficiencies that the company might need to correct before it can expect to earn public confidence and support. This is extremely important because the best communications program cannot persuade people to like bad policies, any more than the best advertising program can sell bad products. The kinds of policy considerations that are likely to show up in a public opinion audit are:

(1) Has the company created an acceptable degree of national participation in the enterprise? This involves such matters as issuance of stock in a foreign subsidiary for local investors, representation of major sectors of public interest on the subsidiary's board, and staffing its top management with nationals. Such considerations may determine whether the American company has developed a local constituency with a sufficient stake in the enterprise to promote and defend the company's interests.

(2) Is the company making an adequate contribution to the host country's aspirations? This involves the company's contribution to economic development by doing locally as much manufacturing, purchasing, research and other activity as can be economically justified. It involves encouraging the growth of supplier industries. And it also embraces the company's contribution to social progress by assisting local communities to develop better educational, medical and other public services.

(3) Does the company have a satisfactory policy for recruiting, training and promoting nationals? This includes such matters as preferential employment for nationals, well-designed training programs to accelerate the movement of nationals into managerial jobs, and a completely open road to all top management positions for qualified nationals.

(4) Does the company have an effective program for selecting and training Americans who are sent abroad? This involves a conscious policy of selecting the best rather than the most expendable Americans from the domestic organization for overseas work. It includes intelligent procedures for determining the adaptability of such Americans and their families to foreign service. It involves advance personnel planning to ensure adequate lead-time to train people for specific areas overseas. And it includes sufficient language and cultural training to equip people to function effectively upon arrival in new foreign posts. Such considerations also extend to company cooperation with overall business organizations which are helping train Americans for overseas work, such as the Business Council for International Understanding.

(5) Does the company conduct its relations with host governments with sufficient skill and sophistication? This involves such matters as the extent to which the company can promote its economic self-interests and support broader measures for improving local economic and social conditions, without becoming a partisan target in domestic politics. It embraces the company's communications activities with influential sectors of public opinion on questions of a controversial nature. And, in many countries, it touches the very delicate policy problem of maintaining good relations with the incumbent government while developing adequate contact and relationships with opposition groups that are likely to become the successor government.

(6) Does the company cooperate effectively on broad policy matters with other companies, and with U. S. Government agencies? This involves such policy considerations as whether American and other foreign companies in the same industry can or should work together to develop favorable governmental and public opinion toward their activities. It also involves the extent of American companies' cooperation with local business interests in jointly promoting public support for free enterprise activities, such as the Business Council for International Understanding is doing through bi-national councils in Mexico and other countries. And it includes the extent of private enterprise cooperation with the U. S. Information Agency in helping improve local understanding of overall U. S. economic policies.

Should Business Necessarily Change Because of Public Opinion?

The foregoing policy considerations do not imply that American companies necessarily should do all these things, or even that they should change their present policies just because of public opinion. There are sometimes other considerations of equal or perhaps greater importance to management that might well militate against such policy changes. Certain highly-integrated international companies, for example, might risk some los of managerial flexibility in pricing, scheduling production, and handling earnings among their national subsidiaries if local interests acquired substantial equities in such subsidiaries.

But it is important that management know the nature and extent of any public dissatisfaction with company policies, and that it carefully weigh this with other considerations in determining whether changes in existing policies and practices are warranted. This process is essential to an effective public relations program.

If, as is not unlikely, management discovers that irritating matters can be modified or adjusted without harming the enterprise, it will be in a stronger position to achieve public understanding and support. If, in other instances, management concludes that the enterprise would be damaged by meeting unreasonable public demands, it will know the importance of devoting substantial effort to helping the public appreciate the company's side of the situation.

How Is an Effective Public Relations Program Developed?

Once management has analyzed its public opinion situation and considered the policy factors involved, the next step is to develop a written public relations program. The program needs to be as carefully planned as any other important managerial function. A well planned public relations program usually includes the following elements:

(1) A statement of the company's public opinion situation in each country. This defines the environment in which public relations must operate, and highlights the main problems and opportunities that must be dealt with. These may include such matters as inadequate recognition of the company, misconceptions about its role in the local economy, and pressures for discriminatory treatment.

(2) Establishement of specific public relations objectives. These spell out exactly what public relations is expected to accomplish. Some public relations tasks are designed to support operating phases of the business such as marketing, personnel recruitment and labor relations. The public relations objective with respect to marketing, for example, can specify the favorable attitudes that need to be created among customers and prospects—in terms of such corporate attributes as research and engineering as well as product advantages. Other public relations tasks are designed to cope with major political and economic issues that affect the company's ability to operate efficiently. These can also be spelled out in terms of particular legislative and administrative matters, and specific public attiudes toward the company's operations and its contributions to the national welfare.

(3) Development of public relations activities. Specific activities can be designed to advance the company's objectives, by deeds as well as words, on matters ranging from marketing to the public interest. Such activities might include trade exhibits, industrial safety programs, scientific conferences, technical training schools, and support of education and culture. An oil or motor company, for example, can appropriately promote projects for improved roads and highway safety. A chemical or agricultural implement company might establish experimental farms. The basic principle of all such activities is that economic development is not only in the public interest; it is also in the company's long-range economic interest.

(4) Effective communications to the public. Company policies, information and activities can be communicated effectively to appropriate audience groups through defined channels. The general public can be reached through mass media, especially on matters of general interest. Specialized media such as trade journals can carry more detailed information on company operations with greater frequency directly to specific groups. And the company can also develop its own media, such as magazines, newsletters and booklets, to communicate with important groups that cannot adequately be reached through existing commercial media. Such company publications usually are required for employees, employment recruits, dealers and distributors, customers and prospects, and sometimes for local communities. The subject matter of all the company's communications can also be planned to ensure that it accurately represents corporate policy and activities, meets the editorial requirements of commercial media, and is sufficiently interesting and relevent to the various audience groups.

(5) Adequate resources to carry out the program. The manpower and financial requirements of the public relations program can be spelled out in detail. The composition and responsibilities of the public relations staff can be defined. If appropriate, the company's relationship with a professional public relations firm can be specified. And the entire program can be budgeted to provide management with accurate costs for each activity.

(6) Evaluation of the program's effectiveness. Provision can be made for periodic evaluation of public relations activities so management can judge performance against objectives and in relation to costs. Resurveys of original audience samples, for example, can demonstrate changes in the awareness and attitudes of various groups toward the company. Regular evaluation can keep the public relations program adapted to changing circumstances.

All the foregoing steps demonstrate that American companies can develop international public relations programs as systematically and effectively as they have planned manufacturing, marketing and other activities overseas. But the real problem is not a lack of capacity for undertaking such public relations programs. The real problem is that most American managements do not yet recognize the seriousness and importance of public opinion to their own self-interests abroad. Therefore, they fail to see the need for such public relations programs.

What Are the Consequences of Inadequate Public Relations?

Further shock therapy of the Castro variety many occur before American businessmen are jolted out of their lethargy and self-complacency about public opinion abroad. For the public opinion problems confronting U. S. business overseas are certain to get worse rather than better, unless they are clearly recognized and intelligently treated.

All the fears, jealousies and resentments against American business will become even more explosive as U. S. business steps up its investment and operations abroad, and as competition intensifies throughout world markets. This combustible mixture, further inflamed by growing nationalistic pressures in many countries, could easily blow up again in the face of American business, especially when there is need for a convenient scapegoat.

This could happen in virtually any underdeveloped country if popular demand for economic betterment is too long frustrated, or if the precarious economic balance is upset by sharp drops in commodity export earnings. It might also happen in industrialized countries if there is a serious recession, or substantial unemployment, or even perhaps the eclipse

of a major domestic industry by an American competitor.

Such explosions of public resentment against U. S. business could, in turn, force even the most friendly governments to adopt discriminatory and protectionist measures. And this might produce a serious retrogression to the international pattern of blocked currencies, discriminatory taxes, import and export quotas, compulsory hiring of nationals, and even outright expropriation.

Any such moves would, of course, jeopardize the profitability of American business' operations abroad, and undermine its foreign investments. Moreover, they would seriously damage U. S. foreign policy and the free world alliance.

The best insurance against such occurrences is for American business to give high priority to the development of essential public confidence and support for its operations overseas.

Doing so can yield substantial results, because those American companies with well-planned public relations operations have attained considerably greater public understanding and appreciation overseas than other U. S. business. In fact, a few of these American companies have achieved as good a standing as the most highly regarded domestic companies in some countries. But even this posture is likely to become precarious unless more American companies follow suit and help improve the overall image of U. S. business abroad.

Thus, it is imperative for enlightened American management to tackle seriously its public opinion problems overseas—not only to maximize the long-range profitability of its own foreign operations, but to contribute to the kind of expanding world economy in which free enterprise can flourish indefinitely because it is adequately understood and broadly supported.

*An address by Mr. Allen before the International Business Executives Business Council's training program for international understanding at the American University, Washington, D. C.

Rejoins Dempsey-Tegeler

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif.—Terry S. Bayless has rejoined Dempsey-Tegeler & Co., 210 West Seventh Street. He has recently been with Eastman Dillon, Union Securities & Co.

John J. Manning has also been added to the firm's staff.

Joins Riverside Securities

(Special to THE FINANCIAL CHRONICLE)

NORTH HOLLYWOOD, Calif. — Clyde E. Tallman is now with Riverside Securities, Inc., 10000 Riverside Drive. He was formerly with Wilson & Bayley and Bennett & Co.

Stone, Youngberg Adds

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Edwin M. Berk has been added to the staff of Stone & Youngberg, Russ Building, members of the Pacific Coast Stock Exchange.

Hornblower & Weeks Adds

(Special to THE FINANCIAL CHRONICLE)

WORCESTER, Mass. — John E. Benglian is now with Hornblower & Weeks, 390 Main Street.

Now With Stix

(Special to THE FINANCIAL CHRONICLE)

ST. LOUIS, Mo.—Walter H. Hallerberg is now connected with Stix & Co., 509 Olive Street, members of the Midwest Stock Exchange. He was formerly with Metropolitan St. Louis Co.

L. A. Caunter Adds

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, O.—Thomas F. Poland has been added to the staff of L. A. Caunter & Co., Park Building.

Survey Says Business Is Not Bad Though It Could Look Better

Most firms surveyed by purchasing agents' organization report they are within 75% to 100% of their normal production. They also report production is somewhat more disquietingly off compared to June—at a time when a letdown in the summer is customary. Encouraging note is taken that the bottom of inventory reduction is "not far away."

"We are in the midst of Summer doldrums," says Purchasing Executives reporting for July. While a letdown in industry during the summer is traditional, and expected, there are certain other factors that are accentuating it this summer. Business is not bad, except in a few industries; but, it is not as good as it should be either. Production is off (better—22%; worse—30%; same—48%) and new orders are also off (better—24%; worse—36%; same—40%) when compared to June.

Anticipated early model changes by the automobile manufacturers have slowed down forward commitments for many suppliers to this key industry. An abnormally low production schedule for the steel manufacturers has resulted in short work hours and reduced payrolls. World uncertainties, an election year, and indecision on the magnitude of our defense spending are contributing to a watchful, waiting attitude.

This month, according to the National Association of Purchasing Agents' business survey committee, commodity prices are again reported lower. These lower prices and the ready availability of almost all purchased materials continue to keep forward commitments at the minimum commensurate with meeting production schedules.

Employment shows little change; but, such change as can be seen is slightly encouraging. Inventories are continuing to be reduced—a bottom is not far away.

This month we thought it might be well to get a feel of the relationship between so-called normal production levels and present production rates. Assuming that every company has facilities for maximum productive capacity and normal (or designed) productive capacity, our question was phrased to determine how their present production rate compares with their normal productive capacity.

A majority, 60%, say they are running between 75% and 100% of their normal production; the next largest grouping, 24%, find their present production rates between 50% and 75% of their normal levels; encouragingly, 11% say they are producing in excess of their normal output. The remaining 5% are at less than 50% of production.

This is certainly not a depressing situation, but it is obvious that for many it could look a lot better.

Commodity Prices

Only 5% of our committee reporters this month say they are paying more now than they did a month ago. This is only one percentage point away from the low point in the 1957-1958 recession. However, those saying prices are lower, 13%, are still 10 percentage points away from the high of 1957-1958. Summing it up, prices are softer now than for many months and good buys are available with a little shopping.

Inventories

The gap between those reporting higher inventories and those reporting lower inventories continues to widen. This month, 33% say they are further reducing purchased materials inventories. Only 15% tell of greater inventories than in June. The bulk of the comments from Purchasing Executives saying their inventories are the same, 52%, can be summarized by one who noted, "We are holding the line at minimum levels." There is little enthusiasm for any desire to add to stocks on hand. This in spite of unsettled conditions in several countries which are the source for purchased commodities.

Employment

There is a very slight improvement in the general employment situation. However, there are some significant unemployment problems in some industries and in some areas. Furthermore, the number reporting employment as worse, 28%, still exceeds those who report improvement, 18%. There is little hope expressed for much change either, as many Purchasing Executives tell of two- and three-week plant-wide vacations scheduled for August, plus the usual slowdown in industry during the summer. Another factor is the early model change-over inactivity of the automobile business, when substantial numbers will be temporarily laid off.

Buying Policy

There is no change again in July. Buyers are finding that advantageous spot offerings are making it unwise to firm commitments very far ahead. Lead time to manufacture or fabricate is usually all that is being considered.

	Per Cent Reporting				
	Hand to Mouth	30 Days	60 Days	90 Days	6 Mos. to 1 Yr.
July					
Production Materials	7	39	38	14	2
MRO Supplies	28	45	21	5	1
Capital Expenditures	9	8	12	26	45
June					
Production Materials	10	33	37	15	5
MRO Supplies	30	41	18	10	1
Capital Expenditures	11	8	10	21	50

Specific Commodity Changes

More price easing is reported this month. Many suppliers are adjusting book prices downward to more nearly conform with recent discounted offerings to buyers. Some items, such as sugar and gasoline, are up in price because of external factors or seasonal demands.

On the **up** side are: Sugar, gasoline, fuel oil and phthalic anhydride.

On the **down** side are: Scrap iron, fasteners, warehouse steel products, lumber, burlap, electrical motors and magnet wire.

In short supply are: Phthalic and maleic anhyrides and benzene.

Worthy of Support!

"The cost-increasing effects of price supports and high taxes limit growth potential and affect competitive pricing in world markets.

"It is essential that in formulating domestic policy the ultimate impact on the United States trade and payments position be considered."

* * *

"The combined discouragements of governmental regulations and tax policies do much to stifle new-venture capital investment needed every year."—Policy Committee of the U. S. Chamber of Commerce.

Of course, the ultimate impact of all domestic policy upon the international position of the United States must (or should) always be borne in mind—as should also its effect upon the general welfare of us all.

Few would deny it, but we are afraid that many politicians are too much absorbed in the impact upon their own political fortunes to give other matters due consideration.

We welcome any and all efforts of the U. S. Chamber of Commerce — and all others for that matter—to bring the public interest into the foreground.

National Bureau Publishes Book on Anticipations Data

Now that regular surveys are being made on investment, consumer and other intentions, National Bureau of Economic Research has published papers of recent conference dealing with such data and their usefulness in forecasting.

How well businessmen, governments, and consumers anticipate the future, how they form their expectations, and how the forecasters can use these expectations are dealt with in a report issued recently by the National Bureau of Economic Research. Entitled "The Quality and Economic Significance of Anticipations Data," the volume was prepared by participants in a conference held under the auspices of the Universities-National Bureau Committee for Economic Research. The tenth of the Bureau's Special Conferences Series, the book is published by Princeton University Press for the National Bureau.

Data Useful for Forecasting

Economic expectations, for some thirty years a matter of speculation by theorists, are now subject to measurement, thanks to the rapid creation of an impressive body of statistics. "No student of anticipations can afford to be scornful of their use in forecasting," states Professor Albert G. Hart of Columbia University, Chairman of the Conference's planning committee. Surveys have proven their reliability in predicting major changes in certain economic sectors, and "are widely viewed as one of the most useful services offered by economic research to government and to business."

"However, direct forecasting is not the only use of anticipations data — nor, indeed, their most promising use," according to Dr. Hart. Most are at their best when used in combination with other variables. They are a basic source of evidence on how firms and households make the decisions that generate economic growth. To account for economic growth, Dr. Hart adds, it is necessary to develop and test theories about the way experience shapes people's view of the future, how this view shapes their decisions, and how additional experience reshapes forecasts and plans. Such theories are important also in explaining recessionary tendencies that may spread through the economy.

The decisions that a firm makes are often thought of as depending solely on the situation at the moment of decision — plant, staff, and inventory as they have developed through past transactions and current sales rates. But in most cases it is appropriate to see decisions as depending also on the expected future developments in the economy. Long-range plans must be made, and here anticipations data are of prime value.

Appraisals of Existing Surveys

Primary sources have been the surveys of investment intentions conducted jointly by the Department of Commerce and the Securities and Exchange Commission, and of consumer intentions carried out under the auspices of the Federal Reserve Board by the Survey Research Center at the University of Michigan. Private surveys are also conducted, such as the McGraw-Hill surveys of business' plans for investment in new plants and equipment. The contributors to this volume appraise these and other surveys.

In addition, new statistics on anticipations are provided by F. Thomas Juster of the National Bureau, who reports on a survey of consumers' spending intentions of member subscribers to the Consumers Union. Morris Cohen of the National Industrial Conference Board evaluates the Board's survey of capital appropriations. James J. O'Leary of the Life Insurance Association of America comments on the forward investment commitments of life insurance companies—their agreements to make funds for mortgages and other investments available at specified dates. Papers by Robert Ferber of the University of Illinois and Dr. Hart examine in detail the railroad shippers' forecasts and their significance to business.

The National Bureau of Economic Research is a private, nonprofit organization for scientific study of economic facts bearing on questions of public importance.

Joins Eastman Dillon

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass. — John McInnes III has joined the staff of Eastman Dillon, Union Securities & Co., 22 Batterymarch Street.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Aug. 6	§55.1	*53.3	42.2	11.2
Equivalent to—					
Steel ingots and castings (net tons)	Aug. 6	§1,570,000	*1,520,000	1,203,000	318,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	July 22	6,855,010	6,831,910	6,819,860	6,855,125
Crude runs to stills—daily average (bbls.)	July 22	¶8,204,000	8,257,000	8,231,000	7,952,000
Gasoline output (bbls.)	July 22	29,116,000	30,031,000	29,055,000	28,750,000
Kerosene output (bbls.)	July 22	2,759,000	2,469,000	2,223,000	2,056,000
Distillate fuel oil output (bbls.)	July 22	12,381,000	12,972,000	12,688,000	11,802,000
Residual fuel oil output (bbls.)	July 22	5,700,000	5,800,000	6,106,000	6,313,000
Stocks at refineries, bulk terminals, in transit, in pipe lines—					
Finished and unfinished gasoline (bbls.) at	July 22	194,779,000	197,241,000	203,242,000	188,157,000
Kerosene (bbls.) at	July 22	29,533,000	29,157,000	27,583,000	28,964,000
Distillate fuel oil (bbls.) at	July 22	123,920,000	121,427,000	106,687,000	134,463,000
Residual fuel oil (bbls.) at	July 22	43,488,000	43,013,000	40,592,000	54,789,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	July 23	619,784	607,031	641,628	536,395
Revenue freight received from connections (no. of cars)	July 23	479,086	438,265	535,778	479,953
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	July 28	$365,500,000	$519,800,000	$686,400,000	$331,500,000
Private construction	July 28	214,400,000	310,500,000	298,300,000	140,900,000
Public construction	July 28	151,100,000	209,300,000	388,100,000	190,600,000
State and municipal	July 28	132,100,000	191,400,000	235,900,000	139,500,000
Federal	July 28	19,000,000	17,900,000	152,200,000	51,100,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	July 23	7,945,000	*7,345,000	9,070,000	7,353,000
Pennsylvania anthracite (tons)	July 23	388,000	340,000	442,000	379,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE=100	July 23	121	*119	124	117
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	July 30	14,746,000	14,425,000	14,247,000	13,775,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	July 28	293	259	278	252
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	July 26	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	July 26	$66.41	$66.41	$66.41	$66.41
Scrap steel (per gross ton)	July 26	$31.50	$31.50	$31.00	$39.50
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	July 27	32.600c	32.600c	32.600c	29.550c
Export refinery at	July 27	30.875c	31.300c	30.775c	27.200c
Lead (New York) at	July 27	12.000c	12.000c	12.000c	12.000c
Lead (St. Louis) at	July 27	11.800c	11.800c	11.800c	11.800c
‡Zinc (delivered) at	July 27	13.500c	13.500c	13.500c	11.500c
Zinc (East St. Louis) at	July 27	13.000c	13.000c	13.000c	11.000c
Aluminum (primary pig. 99.5%) at	July 27	26.000c	26.000c	26.000c	24.700c
Straits tin (New York) at	July 27	104.750c	104.250c	101.875c	101.875c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Aug. 2	88.79	87.94	86.61	83.56
Average corporate	Aug. 2	86.38	86.11	85.07	86.11
Aaa	Aug. 2	91.05	90.34	89.64	89.78
Aa	Aug. 2	88.81	88.27	87.59	87.72
A	Aug. 2	85.98	85.72	84.81	85.72
Baa	Aug. 2	80.45	80.45	78.90	81.42
Railroad Group	Aug. 2	84.04	84.04	82.90	84.94
Public Utilities Group	Aug. 2	87.05	86.51	85.46	85.20
Industrials Group	Aug. 2	88.27	87.22	86.91	88.13
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Aug. 2	3.65	3.74	3.88	4.13
Average corporate	Aug. 2	4.68	4.70	4.78	4.70
Aaa	Aug. 2	4.34	4.39	4.44	4.43
Aa	Aug. 2	4.50	4.54	4.59	4.58
A	Aug. 2	4.71	4.73	4.80	4.73
Baa	Aug. 2	5.15	5.15	5.28	5.07
Railroad Group	Aug. 2	4.86	4.86	4.95	4.79
Public Utilities Group	Aug. 2	4.63	4.67	4.75	4.77
Industrials Group	Aug. 2	4.54	4.58	4.64	4.55
MOODY'S COMMODITY INDEX	Aug. 2	370.4	370.8	378.5	381.8
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	July 23	316,273	272,867	314,504	281,445
Production (tons)	July 23	310,052	248,079	323,223	312,860
Percentage of activity	July 23	91	74	94	94
Unfilled orders (tons) at end of period	July 23	464,279	474,165	435,798	533,760
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100	July 29	109.55	109.47	110.33	109.36
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	July 8	1,890,930	2,370,480	2,875,840	3,040,660
Short sales	July 8	356,720	489,860	570,430	484,130
Other sales	July 8	1,450,800	1,878,060	2,420,740	2,538,550
Total sales	July 8	1,807,520	2,367,920	2,991,170	3,022,680
Other transactions initiated off the floor—					
Total purchases	July 8	278,700	319,830	466,660	499,530
Short sales	July 8	26,800	38,100	63,500	45,100
Other sales	July 8	223,960	302,200	393,580	468,710
Total sales	July 8	250,760	340,300	457,080	513,810
Other transactions initiated on the floor—					
Total purchases	July 8	539,520	634,129	861,976	923,955
Short sales	July 8	85,280	75,855	141,970	179,820
Other sales	July 8	594,935	619,464	873,855	895,970
Total sales	July 8	680,215	695,319	1,015,825	1,075,790
Total round-lot transactions for account of members—					
Total purchases	July 8	2,709,150	3,324,439	4,204,476	4,464,145
Short sales	July 8	468,800	603,815	775,900	709,050
Other sales	July 8	2,269,695	2,799,724	3,688,175	3,903,230
Total sales	July 8	2,738,495	3,403,539	4,464,075	4,612,280
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	July 8	1,367,483	1,706,392	1,908,875	2,186,078
Dollar value	July 8	$67,487,754	$83,373,587	$98,330,496	$115,413,588
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	July 8	1,328,035	1,596,200	1,805,585	1,941,000
Customers' short sales	July 8	5,358	5,507	6,588	7,016
Customers' other sales	July 8	1,322,677	1,590,693	1,798,997	1,933,984
Dollar value	July 8	$61,799,383	$72,995,622	$88,290,519	$98,406,933
Round-lot sales by dealers—					
Number of shares—Total sales	July 8	391,470	484,340	510,230	479,410
Short sales	July 8	------	------	------	------
Other sales	July 8	391,470	484,340	510,230	479,410
Round-lot purchases by dealers—Number of shares	July 8	486,940	540,730	619,350	741,420
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	July 8	525,270	704,660	877,660	821,780
Other sales	July 8	11,703,490	14,689,990	17,262,740	18,780,210
Total sales	July 8	12,228,760	15,394,650	18,140,400	19,601,990
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49=100):					
Commodity Group—					
All commodities	July 26	119.4	119.6	119.4	119.2
Farm products	July 26	88.0	*89.0	87.7	87.5
Processed foods	July 26	107.5	108.0	107.5	106.7
Meats	July 26	96.4	97.4	96.4	97.1
All commodities other than farm and foods	July 26	128.3	128.3	128.3	128.2

*Revised figure. ¶Includes 1,132,000 barrels of foreign crude runs. §Based on new annual capacity of 148,570,970 tons as of Jan. 1, 1960 as against Jan. 1, 1959 basis of 147,633,670 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
AMERICAN TRUCKING ASSOCIATION, INC.—Month of May:			
Intercity general freight transport by 416 carriers (in tons)	6,421,540	6,318,250	6,537,934
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—217 CITIES—Month of June:			
New England	$30,690,427	$25,014,047	$34,082,421
Middle Atlantic	168,151,316	118,206,939	140,681,398
South Atlantic	58,577,639	62,786,697	64,230,417
East Central	107,942,464	173,179,786	130,838,273
South Central	114,685,308	99,401,141	94,254,005
West Central	40,872,229	35,507,015	52,384,764
Mountain	36,382,736	30,999,176	33,508,094
Pacific	139,689,162	124,765,963	148,271,580
Total United States	$696,991,281	$669,860,766	$698,250,952
New York City	130,143,750	82,781,385	85,266,220
Total outside New York City	$566,847,531	$587,079,381	$612,984,732
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of June	16,676	15,530	16,208
CASH DIVIDENDS—PUBLICLY REPORTED BY U. S. CORPORATIONS—U. S. DEPT. OF COMMERCE—Month of June (000's omitted)	$1,948,300	$355,000	$1,867,500
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD — Month of July (000's omitted):			
Total U. S. construction	$2,005,000	$2,885,000	$2,482,000
Private construction	1,081,000	1,607,000	1,164,000
Public construction	924,000	1,278,000	1,318,000
State and municipal	731,000	896,000	983,000
Federal	193,000	382,000	335,000
COKE (BUREAU OF MINES)—Month of June:			
Production (net tons)	4,602,310	5,350,095	6,065,800
Oven coke (net tons)	4,542,560	5,271,154	5,945,500
Beehive coke (net tons)	59,750	78,941	120,300
Oven coke stock at end of month (net tons)	3,891,831	3,783,199	3,049,489
COTTON AND LINTERS — DEPARTMENT OF COMMERCE—RUNNING BALES:			
Consumed month of June	857,772	710,302	823,380
In consuming establishments as of July 2	1,600,811	1,825,980	1,303,345
In public storage as of July 2	6,681,094	7,697,638	7,979,233
Linters—Consumed month of June	126,132	105,736	114,419
Stocks—July 2	500,216	577,539	626,957
Cotton spindles active as of July 2	17,604,000	17,589,000	17,598,000
COTTON SEED AND COTTON SEED PRODUCTS—DEPT. OF COMMERCE—Month of June:			
Cotton Seed—			
Received at mills (tons)	10,400	13,700	13,500
Crushed (tons)	176,600	252,400	116,600
Stocks (tons) June 30	191,100	357,300	130,000
Cake and Meal—			
Stocks (tons) June 30	202,800	204,500	153,700
Produced (tons)	83,000	116,900	55,100
Shipped (tons)	83,000	116,900	55,100
Hulls—			
Stocks (tons) June 30	35,500	43,900	63,900
Produced (bales)	39,800	57,300	28,600
Shipped (tons)	48,200	61,600	48,100
Linters—			
Stocks (bales) June 30	113,400	132,000	160,700
Produced (bales)	52,300	73,100	38,100
Shipped (bales)	70,000	97,600	89,300
COTTON SPINNING (DEPT. OF COMMERCE):			
Spinning spindles in place on July 2	20,004,000	19,694,000	20,317,000
Spinning spindles active on July 2	17,604,000	17,589,000	17,598,000
Active spindle hours (000's omitted) July 2	10,737,000	8,964,000	10,392,000
Active spindle hrs. for spindles in place June	429.5	448.2	415.7
EMPLOYMENT AND PAYROLLS—U. S. DEPT. OF LABOR REVISED SERIES—Month of May:			
All manufacturing (production workers)	12,282,000	*12,330,000	12,299,000
Durable goods	7,061,000	*7,114,000	7,139,000
Nondurable goods	5,221,000	5,216,000	5,160,000
Employment indexes (1947-49 Avge.=100)—			
All manufacturing	101.0	*100.8	100.9
Payroll indexes (1947-49 Average=100)—			
All manufacturing	171.7	*168.8	169.6
Estimated number of employees in manufacturing industries—			
All manufacturing	16,329,000	*16,375,000	16,187,000
Durable goods	9,488,000	*9,541,000	9,443,000
Nondurable goods	6,841,000	*6,834,000	6,744,000
LIFE INSURANCE BENEFIT PAYMENTS TO POLICYHOLDERS — INSTITUTE OF LIFE INSURANCE—Month of April:			
Death benefits	$270,200,000	$327,500,000	$241,300,000
Matured endowments	56,900,000	63,500,000	48,700,000
Disability payments	9,800,000	11,100,000	10,100,000
Annuity payments	59,300,000	58,600,000	52,900,000
Surrender values	132,500,000	155,900,000	119,200,000
Policy dividends	121,400,000	153,600,000	109,800,000
Total	$650,100,000	$770,200,000	$582,000,000
MONEY IN CIRCULATION—TREASURY DEPT. As of April 30 (000's omitted)	$31,600,000	$31,600,000	$31,300,000
NEW YORK STOCK EXCHANGE— As of June 30 (000's omitted):			
Member firms carrying margin accounts—			
Total customers' net debit balances	$3,188,000	$3,151,000	$3,546,000
Credit extended to customers	106,000	130,000	158,000
Cash on hand and in banks in U. S.	366,000	362,000	363,000
Total of customers' free credit balances	1,017,000	970,000	1,094,000
Market value of listed bonds	106,876,435	109,394,776	105,872,000
Market value of listed shares	298,142,880	291,687,902	298,785,388
Member borrowings on U. S. Govt. issues	595	*622	473,000
Member borrowings on other collateral	2,285	*2,274	2,350,000
PRICES RECEIVED BY FARMERS — INDEX NUMBER — U. S. DEPT. OF AGRICULTURE — 1910-1914 = 100—As of May 15:			
All farm products	241	242	244
Crops	228	225	228
Commercial vegetables, fresh	283	255	237
Cotton	248	244	272
Feed, grains and hay	158	158	163
Food grains	209	209	205
Fruit	216	211	221
Oil-bearing crops	218	216	230
Potatoes	245	257	202
Tobacco	494	494	508
Livestock	252	257	258
Dairy products	237	244	233
Meat animals	310	310	338
Poultry and eggs	153	163	125
Wool	253	250	240
UNITED STATES EXPORTS AND IMPORTS BUREAU OF CENSUS — Month of May (000's omitted):			
Exports	$1,791,600	$1,822,900	$1,550,700
Imports	1,259,500	1,257,400	1,263,800

Federally Chartered Mutual Banks Called for in Bi-Partisan Bill

Mutual savings banks have climbed the first rung in their efforts to expand and compete with other savings institutions by the introduction into both houses of Congress of a bill providing for Federal chartering of such thrift banks. The bill would allow them to join the Federal Loan Bank System to obtain a secondary source of liquidity.

Recent introduction of legislation calling for Federal chartering of mutual savings banks was hailed by the National Association of Mutual Savings Banks as a significant step forward in making the thrift facilities of savings banking available to every individual and family in the nation and providing an increased flow of real savings to finance housing and other capital formation on a sustainable, noninflationary basis.

The bill, entitled "Federal Mutual Savings Bank Act," was introduced simultaneously in both houses of the Congress under the bi-partisan sponsorship of Senator John J. Sparkman (D.-Ala.), Senator Prescott Bush (R.-Conn.), Representative Abraham J. Multer (D.-N. Y.), Representative Albert Rains (D.-Ala.), Representative William A. Barrett (D.-Pa.), Representative James A. Burke (D.-Mass.), Representative Daniel K. Inouye (D.-Hawaii), Representative Paul A. Fino (R.-N. Y.), and Representative Seymour Halpern (R.-N. Y.). On introducing the bill, Senator Sparkman said that he and Senator Bush did so by request to provide opportunity for study and evaluation of the proposals.

Commenting on the introduction of the legislation, Edward P. Clark, president of the National Association, said that the Association, which has always had as one of its purposes the extension of the savings bank system, welcomed the legislation. He said that the legislation, by providing "a unique system of banks dedicated to encouraging the thrift of savings depositors and to returning to them all earnings derived from their deposits, after setting aside necessary reserves for their protection, would advance the cause of personal thrift on a national basis. It is important to remember," he added, "that although the greatest investment function of the proposed Federally chartered savings banks would be in mortgages, the diversified investment powers authorized for the banks would make it possible for them to maintain the standards of liquidity which have been traditionally associated with the mutual savings bank system."

Mr. Clark also said that the legislation would strengthen the dual banking system. "Savings banks alone," he declared, "exist as state institutions exclusively, while commercial banks, savings and loan associations, and credit unions are chartered by both the states and the Federal Government. This dual chartering system has contributed significantly to the vitality of our financial institutions. To continue to deny the facilities of savings banks to individuals in two-thirds of the nation seems unwarranted — especially since both population and personal income are rising rapidly in non-savings bank states, and housing and home ownership needs are greater than ever before."

Mr. Clark pointed out, in this regard, that the National Association's efforts in the Federal area supplemented comparable efforts in the area of state-chartering and that efforts in the state area would continue.

Mortgage Funds Flow

In his statement, Mr. Clark reported that mutual savings banks now exist in 17 states, serve over 22 million savings accounts, have more than $35 billion on deposit, and hold $25 billion in mortgage loans, mostly on homes. An estimated $5 billion of these mortgage loans, Mr. Clark reported, are on properties in states other than those in which mutual savings banks now exist.

The Declaration of Policy for the bill states that increased savings "should be provided within the private institutional framework of our competitive economy and within the dual banking system," and that these objectives "will be advanced by authorizing the establishment of privately managed Federally supervised mutual savings banks." The Declaration also noted the record of "mutual savings banks over nearly a century and a half of providing safety, ready availability of deposits, and reasonable returns on these deposits."

Under the provisions of the bill, the organization, structure, and function of the Federally chartered institutions would be similar to that of the present state-chartered mutual savings banks. They would be organized without capital stock, and all their earnings, after provision for reserves for protection of depositors and payment of operating expenses, would be distributed to depositors. Individuals acting as corporators would apply for the Federal charter and would elect a board of trustees to manage and control the affairs of the bank. An expense fund for initial operating costs and a reserve fund for the protection of deposits would be required before the bank could begin operation. The bank could accept any savings deposit, pay interest to depositors from net earnings and undivided profits, and invest in mortgages, especially home mortgages, government obligations, state and local obligations, and corporate securities. The Federal Deposit Insurance Corporation would serve as the insuring agency for the banks.

The legislation calls for the creation of a Federal Mutual Savings Bank Commission which would supervise the chartering and operations of the banks. The Commission would be composed of three members appointed for six-year terms by the President with the advice and consent of the Senate.

In addition to providing for the creation of new institutions, the legislation would authorize the voluntary conversion of other thrift institutions into Federal mutual savings banks and for the conversion of Federal mutual savings banks into other thrift institutions.

Would Allow Access to Home Loan Bank System

Under the legislation, branch powers in any state would be tied to the most favored state-chartered financial institution accepting funds from savers on deposit or share accounts. The banks would also be permitted to join the Federal Home Loan Bank System, in order to avail themselves of a secondary source of liquidity, though membership would not be required. At present, most savings and loan associations and a few mutual savings banks belong to the System.

Each bank chartered under the proposed legislation would be required to qualify as an insured bank under the FDIC. The Commission would be permitted to accept — in lieu of its required annual examination of member banks — the examination by the FDIC.

The National Association also reported that it had conducted extensive research into the structure, functions, and operations of mutual savings banks, had consulted widely with savings banks through their state associations, and had had numerous meetings with Federal officials, legislators, and others in the thrift field in its efforts to promote extension of savings banking. Dr. Grover W. Ensley, executive vice president of the National Association, said that the proposed legislation for national savings banks "establishes standards consistent with the traditions of safety of the savings banking system and reflects recognition by Federal policy makers of the importance of personal savings to the national goal of economic growth with relative price stability. A nation-wide thrift system must surely result in the higher levels of personal savings which are essential to continued noninflationary growth of the nation's economy."

Southwestern Bell Debs. Are Offered

Halsey, Stuart & Co., Inc. is manager of an underwriting syndicate which offered on Aug. 3 an issue of $100,000,000 Southwestern Bell Telephone Co. 35-year 4⅝% debentures, due Aug. 1, 1995 at 101.307% and accrued interest, to yield 4.55%. The group won award of the debentures at competitive sale on Aug. 2 on a bid of 100.51%.

Net proceeds from the financing will be used by the company to reimburse its treasury for expenditures made for extensions, additions and improvements to its plant, and for the repayment of advances from the parent organization, American Telephone & Telegraph Co., which are expected to approximate $85,000,000. The balance of the proceeds will be used for general corporate purposes.

The 1995 debentures are to be redeemable at optional redemption prices ranging from 106.807% to par, plus accrued interest.

The company furnishes communication services, mainly local and toll telephone service, in Arkansas, Kansas, Missouri, Oklahoma, Texas and a small portion of Illinois in the vicinity of St. Louis. On March 31, 1960, the company had 6,061,847 telephones in service, of which about 35% were in the metropolitan areas of St. Louis, Houston, Kansas City and Dallas. Other communication services furnished include teletypewriter exchange service and services and facilities for private line teletypewriter use, for the transmission of radio and television programs and for other purposes.

For the three months ended March 31, 1960, the company had total operating revenues of $190,576,289 and net income of $32,472,623. At March 31, 1960, capital stock equity of the company was $1,461,420,101; funded debt was $275,000,000 and advances from the parent organization, $60,500,000. At Dec. 31, 1954, capital stock equity was $871,516,595; funded debt, $175,000,000, and advances, $10,000,000.

Joins Garrett-Bromfield

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Chester B. Lippitt has joined the staff of Garrett-Bromfield & Co., 650 Seventeenth Street, members of the Midwest Stock Exchange.

With Ladet & Co.

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Joseph Malesovich has become associated with Ladet and Co., Inc., Central Bank Building. He was formerly local manager for Andersen, Randolph & Co., Inc.

Record High Capital Spending Projected for Gas Industry

Record high capital spending by the gas industry is forecast for 1960 followed by decline in the succeeding two years until 1963 when larger investing than ever before is anticipated. The four year period through 1963 will probably see $8.4 billion in new facilities, compared to $6.7 billion in 1956-59 period, and may tap the market for 61% of its financing needs.

The biggest construction push in the history of gas utility and pipeline companies is shaping up, with a record-breaking $2.233 billion being spent in 1960 for new plant and facilities.

The $23 billion gas industry, currently serving 32½ million utility customers and adding about a million more each year, will top its previous record construction year by 26%. Up to now, the peak was $1.772 billion in 1957. Last year expenditures approached record proportions with total construction of $1.728 billion.

The new record probably will not stand beyond 1963, the American Gas Association says in summarizing an annual study prepared by its fact-finding arm, the A.G.A. Bureau of Statistics. Expansion activities three years hence will probably reach $2.38 billion. And for a four-year period through 1963, gas companies will invest $8.4 billion in new facilities, 26.6% more than the $6.7 billion expended for 1956-59.

Financing Sources

Where will the gas industry obtain the billions of dollars needed for improvement and enlargement of facilities? An estimated 39% of the funds will come from internal sources, says the national trade association. The remainder will be raised through the sales of securities—45% from bonds and debentures, 16% from common and preferred stocks. These proportions may change, A.G.A. points out, depending upon security market conditions.

Transmission systems, carrying natural gas from production sources to the nation's distributing companies, will spend more than a billion dollars for new facilities this year. Major projects scheduled for completion in 1960, as the billion-dollar level is topped for the first time in the pipeline industry, include a $169 million Texas-California link.

Transmission outlays last year, including the $160 million Texas-Florida pipeline completed in mid-summer, were $694 million. For four years through 1959, pipeline expenditures totaled $2.9 billion. They will climb nearly 21% in the next four-year period, to $3.5 billion.

As for distribution facilities to link more domestic, commercial and industrial customers with natural gas service, construction this year is put at $724 million, up 12.6% over last year's record of $643 million. The outlook for 1963 is $790 million, for a four-year total of $3 billion and a 30% climb over the 1956-59 total of $2.3 billion.

Another $354 million is being expended this year for production and storage facilities, compared with $306 last year. Approximately $87 million of this will go for underground storage to help meet peak demands in cold weather. The growing importance of underground storage is reflected in forecasts that $466 will be invested for such purposes in the 1960-63 period, nearly 73% more than the $270 million spent in 1956-59.

The investor-owned gas industry registered significant growth during 1959 in total utility plant, up to $19.2 billion, and total assets which climbed to $22.85 billion. At the end of 1958 the corresponding figures were $17.47 billion and $20.73 billion.

Gas Utility and Pipeline Construction Expenditures by Type of Gas and by Type of Facility, 1959-1963
(in millions)

Type of Gas and Facility	Actual 1959	Forecast 1960	1961	1962	1963	Total Forecast 1960-1963	Actual Total 1956-1959
Natural Gas—Total	$1,677	$2,180	$1,864	$1,844	$2,300	$8,188	$6,415
Production and Storage	224	261	262	263	336	1,122	891
Transmission	692	1,062	655	737	1,001	3,455	2,858
Underground Storage	79	87	131	100	148	466	271
Distribution	600	681	721	668	727	2,797	2,102
General	82	89	95	76	88	348	293
All Other Types of Gas—Total	$51	$53	$54	$72	$80	$259	$255
Production and Storage	3	6	6	8	9	29	23
Transmission	2	1	2	3	5	11	8
Distribution	43	43	44	58	63	208	209
General	3	3	2	3	3	11	15
Total Industry—Total	$1,728	$2,233	$1,918	$1,916	$2,380	$8,447	$6,670
Production and Storage	227	267	268	271	345	1,151	914
Transmission	694	1,063	657	740	1,006	3,466	2,866
Underground Storage	79	87	131	100	148	466	271
Distribution	643	724	765	726	790	3,005	2,311
General	85	92	97	79	91	359	308

Astrotherm Secs. Are Offered

On Aug. 3 an underwriting group consisting of Ross, Lyon & Co., Inc., Globus, Inc., and Harold C. Shore & Co., all of New York City, publicly offered securities of this Indianapolis, Ind., firm.

The offering consisted of $308,000 8% subordinated convertible debentures, due July 1970, 154,000 shares of common stock, and 46,200 warrants for purchase of the common. The offering was made at $200 for a unit consisting of $100 of debentures, 50 common shares, and 15 warrants exercisable initially at $2 per share. The proceeds were to be used for the repayment of loans from Mercantile Business Discount Corp., the repayment of loans from stockholders and management officials, for additional laboratory equipment, and for working capital.

Torao Mori Opens

(Special to THE FINANCIAL CHRONICLE)

GARDENA, Calif.—Torao Mori is conducting a securities business from offices at 1102 West Fifteenth Street. Mr. Mori was formerly a partner of Taiyo Securities Company.

With Kaufmann, Alsberg

Kaufman, Alsberg & Co., 61 Broadway, New York City, members of the New York Stock Exchange, have announced that Miss Elsie Rubin and Jerrold A. Wexler have joined the firm as registered representatives.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
• ITEMS REVISED

NOTE—Because of the large number of issues awaiting processing by the SEC, it is becoming increasingly difficult to predict offering dates with a high degree of accuracy. The dates shown in the index and in the accompanying detailed items reflect the expectations of the underwriter but are not, in general, to be considered as firm offering dates.

Adson Industries, Inc.
July 20, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Business**—The company is a general contractor. **Proceeds**—For general corporate purposes. **Office**—116-55 Queens Boulevard, Forest Hills 75, N. Y. **Underwriter**—Bennett & Co., Newark, N. J.

Agricultural Research Development, Inc.
May 23 (letter of notification) 120,000 shares of common stock (par five cents). **Price**—$2.50 per share. **Proceeds**—For construction of buildings, purchase of equipment and for working capital. **Address**—Wiggins, Colo. **Underwriter**—Ladet & Co., Inc., Denver, Colo.

• **Alderson Research Laboratories, Inc. (8/8-9)**
May 26 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—48-14 33rd St., Long Island City, N. Y. **Underwriter** — Morris Cohon & Co., New York, N. Y.

Allegheny Pepsi Cola Bottling Co.
June 9, 1960, filed 200,000 shares of common stock and $500,000 of 6¾% first mortgage bonds, due 1963 through 1972. **Price**—$5 per common share (par 50 cents), and bonds at 100% of principal amount. **Proceeds**—To purchase the outstanding shares of the Cloverdale Spring Co., and the balance for the general funds. **Office**—Guildford Ave., Baltimore, Md. **Underwriter**—Weil & Co. of Washington, D. C.

Allied Bowling Centers, Inc.
Dec. 29 filed $750,000 of sinking fund debentures and 300,000 shares of capital stock, to be offered in units of $75 principal amount of debentures and 30 shares of stock. **Price**—$108 per unit. **Proceeds**—For general corporate purposes. **Office**—Arlington, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas. **Note** — This offering has been postponed.

★ **Alterman Foods, Inc.**
July 27, 1960 filed 100,000 outstanding shares of common stock (par $2.50). **Price**—To be supplied by amendment. **Business**—The company operates 48 supermarkets in and around Atlanta, Ga., and, in addition, conducts a wholesale and institutional grocery business. **Proceeds** — To selling stockholders. **Office**—933 Lee St., S.W., Atlanta, Ga. **Underwriters**—Kidder, Peabody & Co., and Wertheim & Co., both of New York City (managing).

• **Ameco Electronic Corp. (8/8-12)**
May 19 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — 37 E. 18th Street, New York, N. Y. **Underwriter**—Palombi Securities Co., New York, N. Y.

American Bowla-Bowla Corp. (8/8-12)
April 15 filed 120,000 shares of common stock and warrants for the purchase of an additional 60,000 shares, The company proposes to offer these securities for public sale in units consisting of two shares of stock (par 25 cents) and one warrant. **Price**—$6.50 per unit. **Proceeds**—To cover an initial installment on the purchase price of two additional bowling centers; for furniture and fixtures thereon; and the balance to be added to working capital and be available for general corporate purposes. **Office**—400 38th St., Union City, N. J. **Underwriter**—Hill, Thompson & Co., Inc., New York.

• **American Duralite Corp. (8/16)**
June 30, 1960 (letter of notification) 290,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds** — For inventory, expansion, and to increase accounts receivable. **Address**—Loudon, Tenn. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

American Electronics, Inc. (8/9)
June 13, 1960, filed 300,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes including construction and debt reduction. **Office** — 1725 West Sixth St., Los Angeles, Calif. **Underwriter**—Shields & Co., New York City.

American Frontier Life Insurance Co.
Nov. 30 filed 200,000 shares of capital stock being offered for subscription by holders of common stock of record June 1, on the basis of one share for each six shares then held, with rights to expire at 2:00 p.m. CST on Aug. 30, at $7 per share. Additional shares may be subscribed for at $8 per share. **Price**—$8 per share. **Proceeds**—To increase capital and surplus. **Office** — 1455 Union Ave., Memphis, Tenn. **Underwriter**—Union Securities Investment Co., of Memphis, Tenn.

American Mortgage Investment Corp.
April 29 filed $1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as In-

Continued on page 29

NEW ISSUE CALENDAR

August 5 (Friday)

Arco Electronics, Inc. ___ Common
(Michael G. Kletz & Co., Inc.) $850,000

Automatic Cafeterias for Industry, Inc. ___ Common
(Richard Gray Co.) $126,600

C. F. C. Funding Inc. ___ Common
(Darius Inc.) $150,000

Powertron Ultrasonics, Inc. ___ Common
(No underwriting) $410,000

Rayson Craft Boat Co. ___ Common
(California Investors) $300,000

August 8 (Monday)

Alderson Research Laboratories, Inc. ___ Common
(Morris Cohon & Co.) $300,000

Ameco Electronic Corp. ___ Common
(Palombi Securities Co.) $300,000

American Bowla Bowla Corp. ___ Units
(Hill, Thompson & Co., Inc.) $390,000

Arkansas Valley Industries, Inc. ___ Debentures
(A. G. Edwards & Sons) $400,000

Arkansas Valley Industries, Inc. ___ Common
(A. G. Edwards & Sons) 30,000 shares

Benson-Lehner Corp. ___ Common
(Bear, Stearns & Co.) 75,000 shares

Brook Labs. Co., Inc. ___ Common
(Sandkuhl & Company, Inc. and J. J. Magaril Co.) $297,000

Campbell Machine, Inc. ___ Common
(J. A. Hogle & Co.) 102,500 shares

Cellomatic Battery Corp. ___ Units
(Willis E. Burnside & Co., Inc.) $300,000

Chemical Packaging Co., Inc. ___ Common
(Mainland Securities Corp. and Jeffrey-Robert Corp.) $287,500

Chemtree Corp. ___ Common
(Havener Securities Corp.) $262,750

Conetta Manufacturing Co., Inc. ___ Common
(Pearson, Murphy & Co., Inc.) $500,000

Consolidated Research & Mfg. Corp. ___ Units
(Bertner Bros.) $325,000

Dwyer-Baker Electronics Corp. ___ Common
(Frank B. Bateman, Ltd., Hardy & Co. and Jack M. Bass & Co.) $300,000

Fitchburg Paper Co. ___ Common
(White, Weld & Co.) 325,000 shares

International Telephone & Telegraph Corp., Sud America ___ Debentures
(Bear, Stearns & Co.) $10,000,000

Kings Electronics Co., Inc. ___ Units
(Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co.) $800,000

Lee Filter Corp. ___ Capital
(Myron A. Lomasney & Co.) $962,500

Metropolitan Development Corp. ___ Capital
(William R. Staats & Co.; Bache & Co. and Shearson, Hammill & Co.) 1,000,000 shares

National Electronic Tube Corp. ___ Common
(Vickers, Christy & Co., Inc. and First City Securities, Inc.) $300,000

Rez-Tile Industries, Inc. ___ Common
(Vickers, Christy & Co., Inc. and First City Securities, Inc.) $300,000

Sav-A-Stop, Inc. ___ Common
(Pistell, Crow Inc.) $450,000

Sea-Highways, Inc. ___ Common
(John R. Maher Associates) $300,000

August 9 (Tuesday)

American Electronics, Inc. ___ Common
(Shields & Co.) 300,000 shares

American Research & Development Corp. ___ Com.
(Lehman Brothers) 350,000 shares

Avnet Electronics Corp. ___ Common
(Hemphill, Noyes & Co.) 150,000 shares

Avnet Electronics Corp. ___ Conv. Debentures
(Hemphill, Noyes & Co.) $2,000,000

Evans Rule Co. ___ Common
(McDonnell & Co., Inc.) 145,000 shares

Louisville & Nashville RR. ___ Equip. Trust Ctfs.
(Noon EDT) $7,530,000

Navajo Freight Lines, Inc. ___ Common
(Hayden, Stone & Co. and Lowell, Murphy & Co.) 250,000 shares

Safticraft Corp. ___ Common
(George, O'Neill & Co., Inc.) $825,000

Variable Annuity Life Insurance Co. of America ___ Common
(John C. Legg & Co.) 1,000,000 shares

August 10 (Wednesday)

Capri Pools, Inc. ___ Common
(Nassau Securities Service) $125,000

Cenco Instruments Corp. ___ Conv. Debentures
(Lehman Brothers) $5,000,000

Hydrometals, Inc. ___ Conv. Debentures
(Offering to stockholders—underwritten by H. M. Byllesby & Co., Inc.) $2,500,000

Power Cat Boat Corp. ___ Common
(Holton, Henderson & Co.) $300,000

Roliton Corp. ___ Common
(Copley & Co.) $175,000

Softol, Inc. ___ Common
(Harwyn Securities, Inc.) $300,000

Texas Eastern Transmission Corp. ___ Debentures
(Dillon, Read & Co., Inc.) $25,000,000

August 11 (Thursday)

Bruce National Enterprises, Inc. ___ Common
(George, O'Neill & Co., Inc.) $2,010,000

Western Kentucky Gas Co. ___ Common
(Equitable Securities Corp.) 55,000 shares

August 15 (Monday)

Arnoux Corp. ___ Common
(Shearson, Hammill & Co.) 133,000 shares

City Gas Co. of Florida ___ Common
(Kidder, Peabody & Co.) 120,000 shares

Dalto Corp. ___ Common
(No underwriting) 134,739 shares

Dunbar Development Corp. ___ Common
(Netherlands Securities Co., Inc. and J. A. Winston & Co., Inc.) $300,000

Electri-Cord Manufacturing Co., Inc. ___ Common
(E. M. North Co., Inc.) $299,700

Electromagnetic Industries, Inc. ___ Common
(Flomenhaft, Seidler & Co., Inc.) $300,000

Fairmount Finance Co. ___ Common
(J. T. Patterson & Co., Inc.) $290,000

Lestoil Products, Inc. ___ Units
(Paine, Webber, Jackson & Curtis and Alex. Brown & Sons) $4,125,000

National Fountain Fair Corp. ___ Common
(General Investing Corp.) $300,000

Needham Packing Co. ___ Common
(Cruttenden, Podesta & Co.) 200,000 shares

Pacotronics, Inc. ___ Common
(Myron A. Lomasney & Co.) $600,000

Rotating Components, Inc. ___ Common
(S. Schramm & Co., Inc.) $300,000

Sealed Air Corp. ___ Common
(Bertner Bros. and Earl Edden Co.) $100,000

System Meat Co. ___ Common
(Purvis & Co.) $750,000

Techno Fund, Inc. ___ Common
(The Ohio Co. and Merrill, Turben & Co., Inc.) $5,000,000

Tech-Ohm Electronics, Inc. ___ Common
(Edward Lewis Co., Inc.) $300,000

Telephone & Electronics Corp. ___ Common
(Equity Securities Co.) $264,900

Tempest International Corp. ___ Common
(Equity Securities Co.) $300,000

Terminal Electronics, Inc. ___ Capital
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,000,008

Transnation Realty Corp. ___ Debentures
(Ross, Lyon & Co., Inc. and Globus, Inc.) $700,000

Transnation Realty Corp. ___ Common
(Ross, Lyon & Co., Inc. and Globus, Inc.) 70,000 shares

Transnation Realty Corp. ___ Warrants
(Ross, Lyon & Co., Inc. and Globus, Inc.) 35,000

United Aero Products Corp. ___ Common
(L. C. Wegard & Co.; Street & Co., Inc.; Woodcock, Moyer, Fricke & French; First Broad Street Corp. Russell & Saxe and V. S. Wickett & Co., Inc.) $300,000

United States Boat Corp. ___ Common
(Richard Bruce & Co., Inc.) $700,000

Whitmoyer Laboratories, Inc. ___ Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $510,000

Whitmoyer Laboratories, Inc. ___ Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) $500,000

Willer Color Television System, Inc. ___ Common
(Equity Securities Co.) $242,670

August 16 (Tuesday)

American Duralite Corp. ___ Common
(R. A. Holman & Co., Inc.) $290,000

Infrared Industries, Inc. ___ Common
(Lehman Brothers) 135,000 shares

Michigan Bell Telephone Co. ___ Debentures
(11:00 a. m. EDT) $35,000,000

August 17 (Wednesday)

General Motors Acceptance Corp. ___ Debentures
(Morgan Stanley & Co.) $150,000,000

Harcourt, Brace & Co., Inc. ___ Common
(White, Weld & Co.) 493,425 shares

Miami Tile & Terrazzo, Inc. ___ Common
(Floyd D. Cerf Jr. Co. Inc.) $437,500

Natural Gas Pipeline Co. of America ___ Cum. Pfd.
(Dillon, Read & Co., Inc.) 150,000 shares

Natural Gas Pipeline Co. of America ___ Bonds
(Dillon, Read & Co., Inc. and Halsey, Stuart & Co. Inc.) $25,000,000

Trans-Coast Investment Co. ___ Common
(Lehman Brothers) 400,000 shares

Warner Electric Brake & Clutch Co. ___ Common
(Blunt Ellis & Simmons and Bacon, Whipple & Co.) 154,916 shares

August 22 (Monday)

Avionics Investing Corp. ___ Capital
(S. D. Fuller & Co.) $4,000,000

Chematomics, Inc. ___ Common
(Pleasant Securities Co.) $564,900

Deluxe Aluminum Products, Inc. ___ Common
(R. A. Holman & Co., Inc.) $350,000

Deluxe Aluminum Products, Inc. ___ Debentures
(R. A. Holman & Co., Inc.) $330,000

Electro-Tec Corp. ___ Common
(Harriman Ripley & Co., Inc.) 135,000 shares

Honey Dew Food Stores, Inc. ___ Conv. Debentures
(Vickers, Christy & Co., Inc.) $300,000

Hyster Co. ___ Common
(Blyth & Co., Inc.) 130,000 shares

McKesson & Robbins, Inc. ___ Debentures
(Goldman, Sachs & Co.) $15,000,000

Miles-Samuelson Inc. ___ Common
(Marron, Sloss & Co., Inc.) 100,000 shares

National Capital Corp. ___ Common
(J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc.) $1,200,000

Pearson Corp.______Common
(R. A. Holman & Co., Inc.) 50,000 shares

Reilly-Wolff Associates, Inc.______Class A
(Arden Perin & Co., Inc.) $215,000

Roto American Corp.______Common
(Morris Cohen & Co.) 75,000 shares

August 23 (Tuesday)

Southern California Edison Co.______Bonds
(8:30 a.m. California time) $60,000,000

August 24 (Wednesday)

Northern Pacific Ry.______Equip. Trust Ctfs.
(Noon EDT) $6,270,000

August 25 (Thursday)

I C Inc.______Common
(Purvis & Co. and Amos C. Sudler & Co.) $1,500,000

Majestic Utilities Corp.______Units
(Purvis & Co.) $300,000

August 29 (Monday)

Capital Investments, Inc.______Common
(The Marshall Co.) $660,000

Del Electronics Corp.______Common
(Standard Securities Corp. and Bruno-Lenchner, Inc.) $400,000

Diversified Collateral Corp.______Common
(The Tager Co.) $300,000

Heldor Electronics Manufacturing Corp.______Com.
(S. Schramm & Co., Inc.) $300,000

Itemco, Inc.______Common
(Morris Cohen & Co. and Schrijver & Co.) $500,000

National Patent Development Corp.______Common
(Globus, Inc. and Ross, Lyon & Co.) $150,000

Sachar Properties, Inc.______Units
(Ross, Lyon & Co., Inc. and Globus, Inc.) $600,000

August 30 (Tuesday)

Republic Steel Corp.______Debentures
(The First Boston Corp. and Merrill Lynch, Pierce, Fenner and Smith Inc.) $125,000,000

September 1 (Thursday)

Fritzi of California Mfg. Corp.______Common
(Bear, Stearns & Co. and Schwabacher & Co.) 100,000 shares

Triangle Lumber Corp.______Common
(Bear, Stearns & Co.) $1,102,400

September 6 (Tuesday)

Industrial Timer Corp.______Common
(G. H. Walker & Co. and C. E. Unterberg, Towbin & Co.) 75,000 shares

Lytton Financial Corp.______Capital
(William R. Staats & Co. and Shearson, Hammill & Co.) 354,000 shares

Milgo Electronic Corp.______Common
(Offering to stockholders—underwritten by Shearson, Hammill & Co.) 65,000 shares

Narragansett Capital Corp.______Common
(G. H. Walker & Co.) $11,000,000

Vitramon, Inc.______Common
(G. H. Walker & Co.) 103,512 shares

September 12 (Monday)

Ennis Business Forms, Inc.______Common
(Kidder, Peabody & Co.) 74,546 shares

Yardney Electric Corp.______Common
(Kidder, Peabody & Co.) 284,000

September 13 (Tuesday)

Virginia Electric & Power Co.______Bonds
(Bids to be invited) $25,000,000

September 14 (Wednesday)

Utah Power & Light Co.______Bonds
(Bids to be invited) $16,000,000

Utah Power & Light Co.______Preferred
(Bids to be invited) $10,000,000

September 15 (Thursday)

East Central Racing & Breeders Association Inc.______Units
(No underwriting) $700,000

Perkin-Elmer Corp.______Common
(Blyth & Co., Inc.) 100,000 shares

Russell Stover Candies, Inc.______Common
(Harriman Ripley & Co., Inc. and Stern Brothers) 200,000 shrs.

September 19 (Monday)

Reva Enterprises, Inc.______Common
(Blair & Co., Inc. and Chace, Whiteside & Winslow, Inc.) 200,000 shares

September 20 (Tuesday)

Missouri Public Service Co.______Common
(Offering to stockholders—underwritten by Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co.) 258,558 shares

Public Service Electric & Gas Co.______Bonds
(Bids to be invited) $50,000,000

September 21 (Wednesday)

Pacific Power & Light Co.______Bonds
(Bids noon) $20,000,000

Rochester Telephone Co.______Bonds
(11:00 a.m. N. Y. time) $12,000,000

September 26 (Monday)

Cavitron Corp.______Common
(No underwriting) $600,000

September 27 (Tuesday)

Indianapolis Power & Light Co.______Bonds
(11:00 a. m. N. Y. Time) $12,000,000

September 28 (Wednesday)

New York Telephone Co.______Bonds
(Bids to be received) $60,000,000

New York Telephone Co.______Common
(Bids to be received) $120,000,000

October 4 (Tuesday)

San Diego Gas & Electric Co.______Bonds
(Bids to be invited) $25,000,000

Southern Nevada Power Co.______Preferred
(White, Weld & Co.) $2,000,000

Southern Nevada Power Co.______Bonds
(White, Weld & Co.) $5,000,000

October 6 (Thursday)

Columbia Gas System, Inc.______Debentures
(Bids to be invited) $30,000,000

October 18 (Tuesday)

Louisville Gas & Electric Co.______Bonds
(Bids to be invited) $16,000,000

October 19 (Wednesday)

Union Electric Co.______Bonds
(Bids 11 a.m. EDT) $50,000,000

October 20 (Thursday)

Florida Power Corp.______Bonds
(Bids to be received) $25,000,000

October 25 (Tuesday)

American Telephone & Telegraph Co.______Debentures
(Bids to be received) $250,000,000

November 3 (Thursday)

Georgia Power Co.______Bonds
(Bids to be invited) $12,000,000

December 6 (Tuesday)

Northern States Power Co. (Minn.)______Bonds
(Bids to be invited) $35,000,000

Continued from page 28

vestment Certificates, each representing $900 of bonds and 783 shares of stock. **Price**—$1,800 per unit. **Proceeds**—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. **Office** — 210 Center St., Little Rock, Ark. **Underwriter**—Amico, Inc.

• American Research & Development Corp. (8/9)
June 28, 1960, filed 350,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and will be available for investment in accordance with its investment policies, as the management may approve, (a) in new projects and (b) in company in which the issuer has already invested funds. **Office**—200 Berkeley St., Boston, Mass. **Business**—Registered investment company. **Underwriter**—Lehman Brothers, New York.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. **Price**—$3 per share. **Proceeds**—To pay off mortgages, develop and improve properties, and acquire additional real estate. **Office**—60 E. 42nd St., New York City. **Underwriter**—A. J. Gabriel Co., Inc., New York City.

American Stereophonic Corp.
April 11 (letter of notification) 50,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—17 W. 60th St., New York, N. Y. **Underwriter**—Hamilton Waters & Co., Inc., 250 Fulton Ave., Hempstead, N. Y.

★ American Title Insurance Co.
July 27, 1960 filed 301,884 shares of common stock (par $2), of which 150,000 shares are to be publicly offered for the account of the issuing company and the balance is to be used in connection with exchange offers for the stock of similarly engaged companies. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including possible future acquisitions. **Office**—901 N. E. 2nd Ave., Miami, Fla. **Underwriters**—A. C. Allyn & Co., Inc., and Bache & Co., both of New York City (managing). **Offering**—Expected in mid-September.

• Arco Electronics, Inc. (8/5-12)
May 10 filed 170,000 shares of class A common stock. **Price**—$5 per share. **Proceeds**—$350,000 for general corporate purposes and the balance for working capital. **Office**—New York City. **Underwriter**—Michael G. Kletz & Co., Inc., New York City.

Arden Farms Co.
May 13, 1960, filed 44,278 shares of preferred stock, and 149,511 shares of common stock. The company is offering the preferred shares at $52 per share, and common shares at $15 per share, initially through subscription warrants. The holders of outstanding preferred stock will be entitled to purchase the new preferred at the rate of one new share for each 10 shares held. Common stockholders will be entitled to purchase the additional common shares at the rate of one new share for each 10 shares held. The record date for both groups is June 23 with rights to expire on or about Sept. 16. **Proceeds** — To repay the equivalent portion of bank loans. **Office**—1900 West Slauson Ave., Los Angeles, Calif.

Arizona-New Mexico Development Corp.
June 28, 1960 (letter of notification) 12,000 shares of common stock (par $4) and 48,000 shares of convertible preferred stock (par $4) to be offered in units of one share of common and four shares of preferred. **Price**—$25 per unit. **Proceeds** — To develop land as a tourist attraction. **Office**—Scottsdale, Ariz. **Underwriter**—Preferred Securities, Inc.

Arkansas Valley Industries, Inc. (8/8-12)
June 9, 1960, filed $400,000 of 6% convertible subordinated sinking fund debentures and 30,000 shares of common stock, $3 par. $200,000 of the debentures will be issued to Arkansas Valley Feed Mills, Inc.; the remainder of the registration will be publicly offered. **Price**—To be supplied by amendment. **Proceeds** — To retire current bank loans and increase working capital. **Office**—Dardanelle, Ark. **Underwriter**—A. G. Edwards & Sons, St. Louis, Mo.

• Arnoux Corp. (8/15-19)
May 23 filed 133,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes and working capital. **Office**—11924 W. Washington Blvd., Los Angeles, Calif. **Underwriter**—Shearson, Hammill & Co., New York.

Astrex Corp.
July 12, 1960, filed 100,000 shares of common stock. **Price**—$4 per share. **Proceeds** — For general corporate purposes, including debt reduction. **Business**—The distribution of equipment used principally in the electronics, aircraft and missile industries. **Office**—New York City. **Underwriters**—Clayton Securities Corp., Boston, Mass., and Maltz, Greenwald & Co., of New York City. **Offering**—Expected in mid-September.

Atlantic Bowling Corp.
June 27, 1960, filed 250,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To furnish and equip additional bowling centers, including the repayment of any temporary indebtedness so incurred, and for working capital. Any balance will be used for general corporate purposes, which may include equipment of additional bowling centers, or the purchase of such centers from others, and the reduction of indebtedness. **Office**—100 Medway Street, Providence, R. I. **Underwriters**—Sutro Bros. & Co., New York and McDowell, Dimond & Co., Providence, R. I. **Offering**—Expected in late August or early September.

• Automatic Cafeterias for Industry, Inc. (8/5-10)
May 31 (letter of notification) 41,848 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—Dover, County of Kent, Del. **Underwriter** — Richard Gray Co., New York, N. Y.

Avionics Investing Corp. (8/22)
July 12, 1960, filed 400,000 shares of capital stock (par $1). **Price** — $10 per share. **Business** — The issuer is a closed - end non - diversified management investment company. **Proceeds**—For investments in small business concerns in avionics and related fields, with a proposed limit of $800,000 to be invested in any one such enterprise. **Office** — 1000 - 16th Street, N. W., Washington, D. C. **Underwriter**—S. D. Fuller & Co., New York City.

Avnet Electronics Corp. (8/9)
June 15, 1960, filed $2,000,000 of convertible debentures, due 1975, to be offered for public sale by the issuing company and 150,000 outstanding shares of common stock to be offered for the account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—Of the debentures: to repay short-term bank loans, to maintain inventory, and for working capital. **Office**—70 State St., Westbury, Long Island, N. Y. **Underwriter**—Hemphill, Noyes & Co., New York City.

Bal-Tex Oil Co., Inc.
June 17, 1960 (letter of notification) 300,000 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—For expenses for development of oil properties. **Office**—Suite 1150, First National Bank Bldg., Denver, Colo. **Underwriter**—L. A. Huey & Co., Denver, Colo.

Benson-Lehner Corp. (8/8-12)
June 27, 1960, filed 75,000 shares of common stock, of which 67,500 shares are to be offered for public sale by the company and 7,500 shares, being outstanding stock, by the present stockholders thereof. **Price** — To be supplied by amendment. **Proceeds**—$950,000 will be used to repay short-term bank loans the proceeds of which were used for working capital, $100,000 will be advanced to subsidiaries as working capital, and the balance will be added to the company's working capital. **Office**—1860 Franklin St., Santa Monica, Calif. **Business**—Engaged in the development, manufacture and sale of data processing equipment, research and service in the field of information retrieval, and the development, manufacture and sale of scientific cameras. **Underwriter** — Bear, Stearns & Co., New York.

Black Hills Power & Light Co.
June 28, 1960, filed 32,842 shares of common stock, being offered initially for subscription by holders of outstanding common stock of record July 27 on the basis of one new share for each 12 shares held with rights to expire on Aug. 11. **Price**—$28.50 per share. **Proceeds**—Together with other funds and funds on hand, will cover the remaining cost of the company's fiscal 1960 construction program, including the repayment of interim bank loans obtained for such purpose. **Office**—621 Sixth St., Rapid City, S. Dak. **Underwriter** — Dillon, Read & Co. Inc., New York.

Border Steel Rolling Mills, Inc.
July 25, 1960 filed $1,300,000 of 6% subordinated convertible debentures, due 1976, and 245,439 shares of common stock, of which the stock will be offered to holders of record May 31, on the basis of 53¼ new shares for each share then held. **Price** — For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—For the construction of a steel mill and related facilities, land purchase, interest payments, and general funds. **Office** — Mart Bldg., El Paso, Texas. **Underwriters**—First Securities Co., Dallas, Texas, and Harold S. Stewart & Co., El Paso, Texas (for debentures only).

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★ Boston Capital Corp.
Aug. 3, 1960 filed 1,500,000 shares of common stock. **Price**—To be supplied by amendment, but proceeds are expected to aggregate over $22,000,000. **Business**—The issuer is a closed-end, non-diversified management investment company. **Proceeds**—To invest for capital appreciation in small businesses. **Investment Advisor**—Allied Research & Service Corp., 75 Federal St., Boston, Mass. **Underwriter**—Shearson, Hammill & Co., New York City (managing).

Bristol Dynamics, Inc.
June 28, 1960, filed 124,000 shares of common stock, of which 69,000 shares are to be offered for public sale for the account of the issuing company and 55,000 shares, being outstanding stock, by the present holders thereof. **Price**—$6 per share. **Proceeds**—$100,000 for expansion and further modernization of the company's plants and equipment; $100,000 for research and development of new products; and the balance (about $123,000) for working capital and other corporate purposes. **Office**—219 Alabama Ave., Brooklyn, N. Y. **Business**—Designing, engineering, manufacturing, producing, and selling electrical and mechanical assemblies, electronic and missile hardware components and special tools and fabrications. **Underwriter** — William David & Co., Inc., New York. **Offering**—Expected in late August or early September.

● Brooks Labs. Co., Inc. (8/8-12)
May 31 (letter of notification) 108,000 shares of common stock (par 10 cents) of which 28,000 shares are being sold for selling stockholders. **Price** — $2.75 per share. **Proceeds**—For general corporate purposes. **Office**—650 Lincoln Place, Brooklyn 16, N. Y. **Underwriters**—Sandkuhl & Company, Inc., New York City and Newark, N. J. and J. I. Magaril Co., 37 Wall St., New York, N. Y.

● Bruce National Enterprises, Inc. (8/11)
April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corporate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter** — George, O'Neill & Co., Inc., New York.

Buzzards Bay Gas Co., Hyannis, Mass.
June 7 filed 27,000 outstanding shares of common stock, to be offered for sale by American Business Associates. **Price** — To be supplied by amendment. **Underwriter**—Coffin & Burr, Inc., Boston, Mass. **Offering**—Indefinitely postponed.

● Byer-Rolnick Hat Corp.
May 9 filed 100,000 outstanding shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—601 Marion Drive, Garland, Tex. **Underwriters** — Dallas Rupe & Son, Inc., Dallas, Texas and Straus, Blosser & McDowell, Chicago, Ill. **Note**—This statement has been withdrawn.

● C. F. C. Funding Inc. (8/5-10)
May 6 (letter of notification) 75,000 shares of common stock (par 10 cents), **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—90 Broad St., New York 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

● Campbell Machine, Inc. (8/8-12)
June 20, 1960, filed 102,500 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Foot of Eighth Street, San Diego, Calif. **Business**—The company conducts a shipyard business which consists of repair and maintenance of U. S. Navy and commercial vessels. **Underwriter**—J. A. Hogle & Co., Salt Lake City, Utah.

Capital Investments, Inc. (8/29)
July 15, 1960 filed 60,000 shares of common stock. **Price**—$11 per share. **Business**—Issuer is a closed-end, non-diversified management investment company providing equity capital and advisory services to small business concerns. **Proceeds** — For general corporate purposes. **Office**—743 No. Fourth St., Milwaukee, Wis. **Underwriter**—The Marshall Co., Milwaukee.

Capri Pools, Inc. (8/10)
June 23, 1960 (letter of notification) 125,000 shares of common stock (par one cent). **Price** — $1 per share. **Proceeds**—For expansion, tooling, repayment of indebtedness, working capital and inventory. **Office**—2838 N. Naomi Street, Burbank, Calif. **Underwriter**—Nassau Securities Service, New York, N. Y.

★ Carinthia Ski Area, Inc.
July 25, 1960 (letter of notification) 140 shares of common stock (no par). **Price**—$1,000 per share. **Proceeds**—To operate a ski resort. **Address**—West Dover, Vt. **Underwriter**—None.

Castleton's, Inc.
June 13 (letter of notification) 160,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For working capital. **Office**—1350 Foothill Road, Boulevard, Salt Lake City, Utah. **Underwriters**—Potter Investment Co. and Whitney & Co., Salt Lake City, Utah.

Cavitron Corp. (9/26-30)
June 17, 1960, filed 40,000 shares of common stock. **Price** $15 per share. **Proceeds**—To finance the company's anticipated growth and for other general corporate purposes. **Office**—42-15 Crescent St., Long Island City, N. Y. **Underwriter**—None.

● Cellomatic Battery Corp. (8/8-12)
May 20 (letter of notification) $270,000 of 6% guaranteed 5-year convertible notes and 6,000 shares of common stock (par 10 cents) to be offered in units consisting of a $90 note and two shares of common stock. **Price**—$100 per unit. **Proceeds**—For working capital. **Office**—300 Delaware St., Archibald, Pa. **Underwriter**—Willis E. Burnside & Co., Inc., New York, N. Y.

● Cenco Instruments Corp. (8/10)
June 23, 1960, filed $5,000,000 of convertible subordinated debentures due Aug. 1, 1980. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company. **Office**—1700 W. Irving Park Rd., Chicago 13, Ill. **Underwriter** — Lehman Brothers, New York.

Central Charge Service, Inc.
July 18, 1960, filed $2,000,00 of subordinated sinking fund debentures, due Aug. 31, 1975, with attached warrants to purchase 60,000 common shares, and an additional 60,000 common shares. **Price**—To be supplied by amendment. **Business** — The issuer provides a retail charge account service and credit facilities for merchants by discounting customers' sales tickets. **Proceeds**—To redeem $300,000 of outstanding 6% subordinated participating debentures at 110% of principal amount, to increase working capital, and to reduce indebtedness. **Office**—620 11th Street, N. W., Washington, D. C. **Underwriter** — Auchincloss, Parker & Redpath, Washington, D. C. **Offering**—Expected in late August.

Chematomics, Inc. (8/22-26)
June 24, 1960, filed 188,300 shares of common stock (par 10 cents), of which 175,000 are to be offered for public sale by the company and 13,300 shares, being outstanding stock, by the present holders thereof. **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—122 East 42nd Street, New York, N. Y. **Business**—Intends to manufacture and market high heat resistant ion exchange resins. **Underwriter**—Pleasant Securities Co., Newark, N. J.

● Chemical Packaging Co., Inc. (8/8-12)
March 16 (letter of notification) 115,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds** — For general corporate purposes. **Office** — 755 Utica Avenue, Brooklyn, N. Y. **Underwriters**—Mainland Securities Corp., 156 N. Franklin Street, Hempstead, N. Y. and Jeffrey-Robert Corp., 382 S. Oyster Bay Road, Hicksville, L. I., N. Y.

Chemtree Corp. (8/8-12)
April 19 (letter of notification) 262,750 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—100 W. 10th Street, Wilmington 99, Del. **Underwriter**—Havener Securities Corp., New York,, N. Y.

Circle-The-Sights, Inc.
March 30 filed 165,000 shares of common stock and $330,000 of debentures (10-year 8% redeemable). **Price**—For stock, $1 per share; debentures in units of $1,000 at their principal amount. **Proceeds**—For initiating sight-seeing service. **Office**—Washington, D. C. **Underwriter**—None.

● City Gas Co. of Florida (8/15-19)
June 27, 1960, filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds** — Together with other funds, will be used for repayment of $2,800,000 of bank loans which are expected to exist in such amount at the time of closing the stock financing, $500,000 to complete the company's conversion and construction program, and the balance for general corporate purposes. **Office**—955 East 25th St., Hialeah, Fla. **Business** — The company and its subsidiaries distribute gas through underground distribution systems in the Miami area which are in the process of conversion from liquified petroleum gas to natural gas systems. **Underwriter**—Kidder, Peabody & Co., New York.

Civic Finance Corp.
July 6, 1960 filed $650,000 of capital notes, series due 1980 (subordinated), with warrants to purchase common shares, and 40,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds to provide additional working capital. **Business**—The company is engaged in commercial financing and supplies funds to business concerns in Wisconsin and neighboring states. **Office**—530 North Water St., Milwaukee, Wis. **Underwriter** — Robert W. Baird & Co., Inc., Milwaukee, Wis.

● Colorado Real Estate & Development, Inc.
June 23, 1960, filed 150,000 shares of common stock (par $2). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office** — 704 Midland Savings Building, Denver, Colo. **Business**—Intends to engage in the acquisition of unimproved acreage, the development of that acreage into prepared sites for single-family homes, multiple dwellings and commercial improvements, and the sale of those sites to builders and others. **Underwriter**—Adams & Peck, New York. **Note** — The underwriter state that this filing will be withdrawn.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,000 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

★ Commercial Banking Corp.
July 18, 1960 (letter of notification) $290,000 of 6% subordinated debenture bonds due April 1, 1969 with five year warrants to purchase common stock. **Price**—$965 per $1,000 debenture. **Proceeds**—For working capital. **Office**—104 S. 20th St., Philadelphia, Pa. **Underwriter**—Suplee, Yeatman, Mosley & Co., Inc., Philadelphia, Pa.

● Conetta Manufacturing Co., Inc. (8/8-12)
June 3 filed 125,000 shares of class A common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes including the reduction of indebtedness, the purchase of machinery and equipment, and for working capital. **Office**—73 Sunnyside Ave., Stamford, Conn. **Underwriter** — Pearson, Murphy & Co., Inc., New York City.

Consolidated Realty Investment Corp.
April 27 filed 2,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—To establish a $250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

● Consolidated Research & Manufacturing Corp. (8/8-12)
May 27 filed 50,000 shares of class A and 50,000 shares of class B stock (par 10 cents). The company proposes to offer these shares in units of one share of each class. **Price**—$6.50 per unit. **Proceeds**—For equipment, sales expansion, increased advertising and marketing program budget, and working capital and general expansion. **Office** — 1184 Chapel Street, New Haven, Conn. **Underwriter**—Bertner Bros., New York.

Consumers Power Co.
June 15, 1960 filed $38,101,600 of 4⅜% convertible debs., due 1975, being offered for subscription by holders of record as of 3:30 p.m.. EDT, July 26, at the rate of $100 of debentures for each 25 shares of stock then held with no oversubscription privilege, and rights to expire on Aug. 12, at 4:30 p.m. EDT. **Price** — 100% of principal amount. **Proceeds**—For the company's construction program. **Underwriters** — Kuhn, Loeb & Co.; Ladenburg, Thalmann & Co.; Allen & Co.; A. M. Kidder & Co.

★ Continental Reserve Life Insurance Co.
July 22, 1960 (letter of notification) 60,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For operation of an insurance company. **Office**—Suite 205 Kennedy Bldg., Fort Smith, Ark. **Underwriter**—None.

● Country Club Corp. of America
April 29 filed 200,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For repayment of outstanding debt, including payment of mortgages, taxes, notes, and miscellaneous accounts payable; for general corporate purposes and construction of new facilities. **Office** — 1737 H. Street, N. W., Washington, D. C. **Underwriter**—A. J. Gabriel Co., Inc., New York, has withdrawn as underwriter.

Cubic Corp.
June 8, 1960, filed 50,000 shares of capital stock, of which 25,000 shares are being offered for the account of the company, and 25,000 shares for the account of selling stockholders. **Price**—At-the-market at time of offering. **Proceeds**—For additional working capital. **Office**—5575 Kearney Villa Road, San Diego 11, Calif. **Underwriter**—Hayden, Stone & Co., New York City. **Note**—This offering has been indefinitely postponed due to market conditions.

● Dalto Corp. (8/15-19)
March 29 filed 134,739 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—None.

Dechert Dynamics Corp.
May 31, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For expenses of offering, to pay instalment contracts, for electronics research and sales promotion, and other general purposes. **Office**—713 W. Main St., Palmyra, Pa. **Underwriter**—Plymouth Securities Corp., New York, N. Y. **Offering**—Imminent.

● Del Electronics Corp. (8/29-9/2)
July 26, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—The company makes, from its own designs, and sells high voltage power supplies, transformers, chokes, and reactors. **Proceeds**—For working capital, relocation, and expansion. **Office**—521 Homestead Ave., Mount Vernon, New York. **Underwriters** — Standard Securities Corp., New York City, and Bruno-Lenchner, Inc., Pittsburgh, Pa.

Deluxe Aluminum Products, Inc. (8/22-26)
Oct. 15 filed $330,000 of convertible debentures, and 70,000 shares of common stock. **Price**—For the debentures, 100% of principal amount; for the stock, $5 per share. **Proceeds**—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. **Office**—6810 S. W. 81st St., Miami, Fla. **Underwriter**— R. A. Holman & Co., Inc.

Detroit Tractor, Ltd.
May 26 filed 1,375,000 shares of class A stock. Of this stock, 1,125,000 shares are to be offered for the company's account and the remaining 250,000 shares are to be offered for sale by the holders thereof. **Price**—Not to exceed $3 per share. **Proceeds**—To be applied to the purchase of machine tools, payment of $95,000 of notes and accounts payable, and for general corporate purposes. **Office**—1221 E. Keating Avenue, Muskegon, Mich. **Underwriter**—To be supplied by amendment.

★ Diversified Collateral Corp. (8/29-9/2)
July 26, 1960 filed (with the SEC in Atlanta) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Mortgage financing in Florida. **Proceeds**—For additional working capital. **Office**—Miami Beach, Fla. **Underwriter**—The Tager Co., 1271 6th Ave., New York City.

Diversified Realty Investment Co.
April 26 filed 250,000 shares of common stock. **Price**—$5 per share (par 50 cents). **Proceeds** — For additional working capital. **Office**—919 18th Street, N. W., Wash-

ington, D. C. **Underwriter**—Ball, Pablo & Co., Washington, D. C.

Drug Associates, Inc.
May 6 (letter of notification) 100 units of $100,000 of 7% sinking fund debenture bonds and 10,000 shares of common stock (par $1) to be offered in units consisting of one $1,000 debenture and 100 shares of common stock. **Price**—$1,100 per unit. **Proceeds**—For general corporate purposes. **Office**—1238 Corlies Ave., Neptune, N. J. **Underwriter**—Fidelity Securities & Investment Co., Inc., Asbury Park, N. J.

Dunbar Development Corp. (8/15-19)
June 22, 1960 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price** — $4 per share. **Proceeds**—For general corporate purposes. **Office**—237 Sylvester St., Westbury, L. I., N. Y. **Business**—Purchase of land and building of homes. **Underwriters**—Netherlands Securities Co., Inc., and J. A. Winston & Co., Inc., New York, N. Y.

Durox of Minnesota, Inc.
April 11 filed $650,000 of 7% first mortgage bonds and 120,000 shares of common stock (par $1). The offering will be made in units of one bond ($100 principal amount) and 20 shares of common stock or one unit of 50 bonds at principal amount plus accrued interest. **Price**—To be supplied by amendment. **Proceeds**—For additional plant and equipment and to provide working capital to commence and maintain production. **Office** — 414 Pioneer Bldg., St. Paul, Minn. **Underwriters**—Irving J. Rice & Co., Inc., St. Paul, Minn. and M. H. Bishop & Co., Minneapolis, Minn.

• Dwyer-Baker Electronics Corp. (8/8-12)
June 20, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To pay current maturity of mortgage and notes and for working capital. **Office**—7400 N. W. 13th Ave., Miami, Fla. **Underwriters** — Frank B. Bateman, Ltd., Palm Beach, Fla., Hardy & Co., New York, N. Y., and Jack M. Bass & Co., of Nashville, Tenn.

Dynamic Center Engineering Co., Inc.
June 20, 1960 (letter of notification) 37,450 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To promote the sale of new products, for the purchase of additional equipment and working capital. **Address**—Norcross, Ga. **Underwriter**—Gaston-Buffington-Waller Inc., Atlanta, Ga.

Dynatron Electronics Corp.
April 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office**—178 Herricks Road, Mineola, N. Y. **Underwriter**—General Securities Co., Inc., New York, N. Y.

East Alabama Express, Inc.
April 1 (letter of notification) 77,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To repay notes payable, reduce equipment purchase obligations, accounts payable and for working capital. **Office**—109 M Street, Anniston, Ala. **Underwriter**—First Investment Savings Corp., Birmingham, Ala.

East Central Racing and Breeders Association, Inc. (9/15)
July 5, 1960, filed 200,000 units of 200,000 shares of capital stock and 200,000 warrants to purchase capital stock. Each unit will consist of one share and one warrant for the purchase of an additional share exercisable within 12 months. **Price**—$3.50 per unit. **Proceeds**—First step in the management's program if this financing is successful and after allocating $10,000 to finishing a training track surface and $25,000 to property accruement and maintenance, is the construction of about 15 stables to accommodate 32 horses each at an estimated cost of $22,500 each. An additional $200,000 has been allocated for construction of a building covering an indoor training track and $74,000 for working capital. **Office** — Randall, N. Y. **Underwriter**—None.

• Edwards Engineering Corp.
April 8 filed 85,000 shares of common stock of which 70,000 shares are to be offered for the account of the issuing company and 15,000 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes including salaries, sales promotion, moving expenses, and research and development work. **Office**—715 Camp Street, New Orleans, La. **Underwriter**—Sandkuhl & Company, Inc., New York City and Newark, N. J. **Offering**—Imminent.

• Electri-Cord Manufacturing Co., Inc. (8/15-19)
June 15 (letter of notification) 99,900 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—2554 E. 18th Street, Brooklyn, N. Y. **Underwriter**—E. M. North Co., Inc., New York, N. Y.

• Electromagnetic Industries, Inc. (8/15-19)
June 22, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—For general corporate purposes. **Office**—Greeley Ave., Sayville, L. I., N. Y. **Business**—Manufactures and sells transformers, magnetic components and electric instrumentation and control devices. **Underwriter**—Flomenhaft, Seidler & Co., Inc., New York, N. Y.

Electronic Developments, Inc. of Florida
June 21, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To establish a new office, for salaries, research and development and working capital. **Office**—424 W. Davis Blvd., Tampa, Fla. **Underwriter**—Carr-Rigdon Co., Inc., 4700 Nolensville Rd., Nashville, Tenn.

Electronic Specialty Co.
June 2 filed 150,000 shares of common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds in anticipation of capital requirements, possibly to include acquisitions. **Office**—5121 San Fernando Road, Los Angeles, Calif. **Underwriter** — Bateman, Eichler & Co. of Los Angeles, Calif. **Offering**—Expected in August.

• Electro Industries, Inc.
July 19, 1960 (letter of notification) 75,000 shares of class A common stock (no par) and 20,000 shares of additional class A common stock to be offered to the underwriters. **Prices**—Of class A common, $2 per share; of additional class A common, 2½ cents per share. **Proceeds**—To expand the company's inventory to go into the packaging and export of electrical equipment, and for working capital. **Office**—1346 Connecticut Ave., N. W., Washington, D. C. **Underwriter** — Carleton Securities Corp., Washington, D. C.

Electro-Tec Corp. (8/22-26)
July 1, 1960, filed 135,000 shares of common stock (par 10 cents), of which 75,000 shares are to be offered for public sale for the account of the issuing company and 60,000 shares, being outstanding stock, by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general funds and be used for general corporate purposes. **Office**—10 Romanelli Ave., South Hackensack, N. J. **Business**—Design, development, manufacture and sale of slip ring and brush block assemblies, switching devices and relays for electronic equipment. **Underwriter**—Harriman Ripley & Co., Inc., New York.

El Paso Natural Gas Co.
June 21, 1960, filed 1,136,890 shares of common stock, being offered for subscription by common stockholders of record July 26, 1960, at the rate of one new share for each 15 shares then held, with rights to expire on Aug. 11, at 5:00 p.m. (EDT). **Price**—$29 per share. **Proceeds**—To be used in part to repay not less than $10,000,000 of current bank loans and the balance will be used largely for investment in the notes and common stock of subsidiary companies, principally El Paso Natural Gas Products Co. **Underwriter**—White, Weld & Co., Inc. (managing), New York City.

• Ennis Business Forms, Inc. (9/12-16)
July 14, 1960, filed 74,546 shares of outstanding common stock (par $2.50). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 214 West Knox St., Ennis, Texas. **Underwriter**—Kidder, Peabody & Co., New York City.

• Evans Rule Co. (8/9-10)
June 17, 1960, filed 145,000 shares of common stock (par $1), of which 40,000 shares will be sold for the account of the company and 105,000 shares for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Business**—The company manufactures and sells precision steel measuring tapes and wood folding rules. **Proceeds**—To be used by the company to purchase two leased plants in Elizabeth, N. J. The balance of the proceeds will be added to working capital and will be available for general corporate purposes. **Office**—Elizabeth, N. J. **Underwriter** — McDonnell & Co. Inc., New York City.

Evergreen Gas & Oil Co.
June 20, 1960 (letter of notification) 2,000,000 shares of common stock (par five cents). **Price** — 12½ cents per share. **Proceeds**—For expenses for oil and gas development. **Office**—E. 12707 Valleyway, Opportunity, Wash. **Underwriters**—Standard Securities Corp. and Pennaluna & Co., Spokane, Wash. and Herrin Co., Seattle, Wash.

★ Fae Instrument Corp.
July 28, 1960 (letter of notification) 60,000 shares of common stock (par 10 cents). **Price** — $5 per share. **Business** — The manufacture of technical instruments. **Proceeds**—For payment of current liabilities, an expansion program, and for operating capital. **Office**—42-61 Hunter St., Long Island City 1, N. Y. **Underwriter**—Elmer K. Aagaard, Suite 6, Stock Exchange Bldg., 39 Exchange Place, Salt Lake City, Utah.

Fairmount Finance Co. (8/15-19)
May 6 (letter of notification) 58,000 shares of class A common stock (par $5). **Price**—At par ($5 per share). **Proceeds**—For working capital. **Office**—5715 Sheriff Road, Fairmount Heights, Md. **Underwriter**—J. T. Patterson & Co., Inc., 40 Exchange Place, New York, N. Y.

Farms, Inc.
June 13 (letter of notification) $298,000 of 10-year 5¾% debentures, to be offered in denominations of $1,000, $500 and $250 each. **Price**—At face value. **Proceeds**—For working capital. **Office**—818 17th Street, Denver 2, Colo. **Underwriter**—Wayne Jewell Co., Denver, Colo.

★ Federal Pacific Electric Co.
Aug. 2, 1960 filed 377,000 shares of common stock and $45,000 shares of outstanding 5½% convertible second preferred series A stock, of which 127,000 common shares represent part of the issuer's payment for all of the outstanding common of Pioneer Electric Limited. The balance will be offered publicly. **Price** — To be supplied by amendment. **Proceeds**—To acquire the cash necessary to complete the Pioneer payment (see above), with the balance to retire short-term bank loans, and be added to working capital. **Office** — 50 Terrace St., Newark, N. J. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill., (managing).

★ Fiber Glass Industries Corp. of America
July 21, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents) of which 80,000 shares are to be offered on behalf of the company and 20,000 on behalf of the underwriter. **Price**—$3 per share. **Proceeds**—To purchase material, repayment of a loan, for advertising and promotion and for working capital. **Office**—730 Northwest 59th St., Miami, Fla. **Underwriter**—Nelson Securities, Inc., Hempstead, N. Y.

Fidelity Electronics Corp.
July 11, 1960, (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Fairview & Hancock Streets, Riverside, Burlington County, N. J. **Underwriter** — Metropolitan Securities, Inc., Philadelphia, Pa.

First Investors Corp.
July 19, 1960, filed 270,000 shares of outstanding class A common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — New York City. **Underwriter**—Bache & Co. **Offering**—Expected in early September.

Fischbach & Moore, Inc.
June 28, 1960, filed 300,000 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—New York City. **Underwriter**—Allen & Co., New York City. **Offering**—Expected in late August.

• Fitchburg Paper Co., Fitchburg, Mass. (8/8-12)
June 28, 1960, filed 325,000 shares of class A common stock, of which 217,000 shares are to be offered for public sale for the account of the issuing company and 108,000 shares being outstanding stock by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, will be used to purchase and retire the outstanding preferred stock of the company at a cost not in excess of $114,000; to pay in full the outstanding 5¾% notes held by New England Mutual, the unpaid principal amount of which at June 1, 1960 was $787,500; $1,400,000 for construction of a new and larger plant for the Decotone Products Division; $450,000 for completion of a new office building; and the balance for additional working capital. **Underwriter**—White, Weld & Co., New York.

Fleetcraft Marine Corp.
July 5, 1960 (letter of notification) 150,000 shares of capital stock (no par) of which 112,500 shares are being offered by the company and the remainder for the account of the selling stockholder. **Price**—$2 per share. **Proceeds** — To pay off debts and for working capital. **Office** — c/o Robert R. Chesley, 1235 E. Florence Ave., Los Angeles, Calif. **Underwriter**—Garat & Polonitza, Inc., Los Angeles, Calif. **Note**—The underwriter states that this offering has been indefinitely postponed.

• Foto-Video Electronics Corp.
April 26 filed 125,000 shares of class B stock. **Price**—$4 per share. **Proceeds**—$100,000 for research and development, $200,000 for working capital, and the balance for sales promotion expenses. **Office** — Cedar Grove, N. J. **Underwriter**—Fund Planning, Inc., New York City. **Offering**—Mid-to-late August.

★ Four Star Television
July 27, 1960 filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The company and its subsidiaries will produce and market television film series and related enterprises. **Proceeds**—For general corporate purposes. **Office**—4030 Radford Ave., North Hollywood, Calif. **Underwriter**—Dempsey-Tegeler & Co., St. Louis, Mo. (managing).

• Fritzi of California Mfg. Corp. (9/1-15)
July 5, 1960, filed 100,000 shares of common stock (par $1) of which 30,000 shares are to be offered for public sale for the account of the issuing company, and 70,000 shares, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Business**—Company is engaged in the production and sale of popularly priced blouses and sportswear coordinates for girls and women. **Proceeds**—From the stock sale, and funds from working capital, totalling $293,092.75, will be contributed to the capital of Fritzi Realty, a wholly owned subsidiary, to purchase for cash from 177-First Street Corp. the building presently used by the company. **Office**—167-199 First Street, San Francisco, Calif. **Underwriters**—Bear, Stearns & Co., of New York, and Schwabacher & Co., of San Francisco and New York.

• Frouge Corp.
July 22, 1960 filed $1,500,000 of 6½% convertible subordinated debentures, due September 1975, and 150,000 shares of common stock (par $1), of which filing 50,000 of the common shares are to be offered for the account of selling stockholders and the balance for the account of the issuing company. **Prices** — To be supplied by amendment. **Business**—The company is engaged in the construction business, both as a general contractor and as a builder for its own account. **Proceeds** — For debt reduction and working capital. **Office**—141 North Ave., Bridgeport, Conn. **Underwriter**—Van Alstyne, Noel & Co., New York City (managing). **Offering**—Expected in late September.

Funded Security Corp.
July 7, 1960, filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—The issuer is a holding company organized under Illinois law in December, 1959. **Proceeds**—$600,000 will be transferred to the general funds of Funded Security Life Insurance Co., a newly organized legal reserve life insurance company wholly owned by the issuer, for investment in income producing securities and expansion through acquisition. **Office**—2812 W. Peterson Ave., Chicago, Ill. **Underwriters**—H. M. Byllesby & Co., Chicago, and Kalman & Co., Inc., St. Paul, Minn.

Gateway Sporting Goods Co.
July 7, 1960 filed 70,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds from an anticipated $700,000 loan from an insurance company, will be used to retire a $425,000 bank loan and to finance the company's expansion program. **Business**—The company is principally

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a retail organization specializing in sporting goods, photographic equipment, toys, wheel goods, luggage and related recreational lines. **Office**—1321 Main St., Kansas City, Mo. **Underwriter**—Stern Brothers & Co., Kansas City, Mo.

★ General Boats Corp.
July 29, 1960 (letter of notification) 20,000 shares of common stock (par 20 cents). **Price**—$5 per share. **Business**—To manufacture cabin boats. **Proceeds**—For inventory; engineering, development and molds for a new type craft and for working capital. **Office**—32 West 46th Street, New York 36, N. Y. **Underwriter**—None.

● General Motors Acceptance Corp. (8/17)
July 27, 1960 filed $150,000,000 of 22-year debentures, due 1982. **Price**—To be supplied by amendment. **Proceeds**—For general funds, the purchase of accounts receivable, the reduction of indebtedness, and possibly for investment in short-term securities. **Office**—New York City. **Underwriter**—Morgan Stanley & Co., New York City (managing).

General Sales Corp.
April 28 filed 90,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; $75,000 for the same purposes in the Salem Center; and $50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office** — 1105 N. E. Broadway, Portland, Ore. **Underwriter** — Fennekohl & Co., Inc., New York. **Offering**—Expected in late August.

General Steel Castings Corp.
July 22, 1960 filed 296,649 shares of common stock (par $1), of which 100,000 shares are to be offered for the account of the issuing company and the balance, representing outstanding stock, will be offered for the account of the present holders thereof. **Price**—To be related to the market price for the shares at the time of the offering. **Proceeds**—To be loaned to St. Louis Car Co., a subsidiary. **Office** — 1417 State St., Granite City, Ill. **Underwriter** — Hornblower & Weeks, New York City (managing). **Offering**—Expected sometime in September.

● Gold Medal Packing Corp.
June 17, 1960, filed 100,000 shares of 25c convertible preferred stock (par $4). **Price**—At par. **Proceeds**—Approximately $150,000 will be used to discharge that portion of its obligation to Jones & Co. pursuant to which certain inventories are pledged as collateral. The indebtedness to Jones & Co. was initially incurred on June 15, 1960 in connection with refinancing the company's obligations to a bank. In addition, $15,000 will be used for the construction of an additional smokehouse, and the balance will be used for general corporate purposes. **Office**—614 Broad Street, Utica, N. Y. **Business**—The company is engaged in the processing, packing and distribution of meats and meat products, principally sausage products, smoked meats, bacon, and meat specialties. It also sells certain dairy products. **Underwriter**—Ernst Wells, Inc., 15 William Street, New York City.

Greenbelt Consumer Services, Inc.
April 28 filed 40,000 shares of series A common stock and 160,000 shares of series B common stock. **Price**—$10 per share. **Proceeds**—$400,000 will be used in payment of bank loans made in January to finance the purchase of equipment for two new supermarkets which are planned to be opened in May and June, 1960. Approximately $200,000 will be used for the purchase of inventory for the two new stores. The company contemplates opening four additional supermarkets within the next two and one-half years. Approximately $1,200,000 of the proceeds of the offering will be used to finance the purchase of equipment and inventory for such stores. The balance of approximately $182,000 will be added to general working capital. **Office**—10501 Rhode Island Ave., Beltsville, Md. **Underwriter**—None.

Gross Furnace Manufacturing Co., Inc.
March 30 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price** — $2.50 per share. **Proceeds** — For advertising, equipment and working capital. **Office**—c/o Joseph J. Gross, 2411 Sunnybrook Road, Richmond, Va. **Underwriter**—Maryland Securities Co., Inc., Baltimore, Md.

Guardian Central Trust, Inc.
June 3 filed 484,862 shares of common stock, of which 200,000 shares are to be publicly offered, and the remaining shares are reserved for the acquisition of the stock of Guardian Discount Co. **Price**—$6 per share. **Proceeds**—From the public offering, to be invested in Guardian Discount Co. **Office**—1415 Union Avenue, Memphis, Tenn. **Underwriter**—James N. Reddoch & Co., Memphis, Tenn.

● Gulf-Tex Development, Inc.
March 30 filed 250,000 shares of common stock. **Price**—$5 per share. **Proceeds**—For purchase of Pelican Island; for improvements on said property; and for working capital and other general corporate purposes, including the general development of the property. **Office**—714 Rosenberg St., Galveston, Tex. **Underwriter**—Myron A. Lomasney & Co., New York. **Note**—This statement was withdrawn on July 21.

Hallicrafters Co.
July 22, 1960 filed 300,000 shares of capital stock (par $1), of which 100,000 shares are to be offered for the account of the issuing company and the balance, representing outstanding stock, is to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The research, development, and manufacture of military electronic equipment, and the commercial manufacture and sale of short-wave sending and receiving equipment. **Proceeds**—For working capital, including the reduction of indebtedness by $1,000,000. **Office**—4401 W. Fifth Ave., Chicago, Ill. **Underwriter**—Paine, Webber, Jackson & Curtis (managing). **Offering**—Expected in early September.

Harcourt, Brace & Co., Inc. (8/17)
June 28, 1960, filed 493,425 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—The company is engaged in the publication and sale of junior high school, high school and college textbooks, workbooks, related materials, as well as general trade books. **Office**—750 Third Avenue, New York. **Underwriter**—White, Weld & Co., New York.

Harvest Brand, Inc.
July 22, 1960 filed 191,667 shares of common stock (10c par), of which 150,000 shares will be sold for the account of the issuing company and 41,667 shares, representing outstanding stock, will be sold for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business**—The issuer is engaged primarily in the formulation, manufacture, distribution, and sale of feed supplements, minerals, and pre-mixes for the livestock industry in the mid-west. **Proceeds**—To retire long-term debt; for a new automated plant, and for additional working capital. **Office** — Pittsburgh, Kansas. **Underwriter**—S. D. Fuller & Co., New York City. **Offering**—Expected in mid-September.

Hawaiian Electric Co., Ltd.
July 25, 1960 filed 116,643 shares of common stock, to be offered to holders of the outstanding common on the basis of one new share for each eight shares held. **Price**—To be supplied by amendment. **Proceeds**—For capital expenditures. **Office**—900 Richards St., Honolulu, Hawaii. **Underwriter**—None.

Hawaiian Pacific Industries, Inc.
June 29, 1960, filed $1,350,000 of 6½% convertible subordinated debentures, due September, 1970, and 100,000 shares of common stock. **Price**—Debentures, at 100% of principal amount; common stock at a maximum of $10 per share. **Proceeds** — For construction expenses, new equipment, reduction of indebtedness, and the acquisition of properties. **Office** — Honolulu, Hawaii. **Underwriters**—Bosworth, Sullivan & Co. and Lowell, Murphy & Co., both of Denver, Colo. **Offering**—Expected in early September.

Heldor Electronics Manufacturing Corp. (8/29-9/2)
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 238 Lewis Street, Paterson, N. J. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

Helicopters, Inc.
May 19 (letter of notification) 60,000 shares of common stock (par $1). **Price** — $5 per share. **Proceeds** — For purchase of equipment, tools, inventory and working capital. **Office**—Heliport, Stapleton Airfield, Denver 2, Colo. **Underwriter**—Insurance Stocks, Inc., Denver, Colo. **Offering**—Expected in late August or early September.

● Honey Dew Food Stores, Inc. (8/22-26)
June 24, 1960 (letter of notification) $300,000 of 7½% convertible subordinated debentures due July 1, 1970. **Price** — At 100%. These debentures are convertible through June 30, 1965 into capital stock at $2.50 per share to and including June 30, 1962, at $3.33⅓ per share from July 1, 1962 to June 30, 1964 inclusive and at $4 per share from July 1, 1964 to June 30, 1965 inclusive. **Proceeds** — For general corporate purposes. **Office** — 811 Grange Rd., Teaneck, N. J. **Underwriter** — Vickers, Christy & Co., Inc., 15 William St., New York 5, N. Y.

Hyak Skiing Corp.
July 18, 1960 (letter of notification) 30,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—For general corporate purposes. **Office**—c/o Frederick D. Voorhees, 8422 N. E. 10th St., Bellevue, Wash. **Underwriter**—Columbia-Cascade Corp., Seattle, Wash.

Hydrocraft, Inc.
June 20, 1960 (letter of notification) 180,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase inventory, increase plant capacity by adding additional molds and jigs, research and development and for working capital. **Office**—804 Lake St., Huntington Beach, Calif. **Underwriter**—Wedbush & Co., Los Angeles, Calif.

● Hydrometals, Inc. (8/10)
June 16, 1960 filed $2,500,000 of convertible debentures due 1972. The company proposes to offer the debentures for subscription by stockholders. **Price**—To be supplied by amendment. **Proceeds**—Approximately $490,000 will be used to retire loans made to furnish working capital and to finance the company's Hydro-T-Metal program, and $300,000 will be used to retire a loan made to finance the acquisition of a license to practice an electrothermal process for the production of metals from oxides and ores. The balance of such proceeds will be added to the general funds of the company. **Office** — 405 Lexington Ave., New York City. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill.

● Hyster Co. (8/22-26)
June 27, 1960, filed 130,000 shares of its common stock (par 50 cents). Of the total, 50,000 shares are being offered for the company's account and 80,000 shares by certain stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Business** — The manufacturing and marketing of materials handling equipment. **Underwriter** — Blyth & Co., Inc., New York.

I C Inc. (8/25)
June 29 filed 600,000 shares of common stock (par $1). **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

I. D. Precision Components Corp.
June 29, 1960, (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 89-25 Van Wyck Expressway, Jamaica 35, N. Y. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Offering**—Expected sometime in September.

Illinois Beef, L. & W. S., Inc.
April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa. **Offering**—Expected sometime in September.

Indian Trail Ranch, Inc.
June 28, 1960, filed $585,000 of 6% convertible promissory notes due 1965; 171,600 warrants to purchase the said notes; and 57,200 common shares issuable upon conversion of the notes. The company proposes to offer its common stockholders rights to subscribe to the notes at the rate of $5 principal amount of notes for each share of common stock held. Each stockholder is entitled to one subscription right for each share held; and three rights are required to subscribe for one note in the amount of $15, the minimum subscription. **Business**—The company is authorized to engage in a general farming and ranching business. **Proceeds** — To enable the company to obtain the necessary funds required to meet various financial commitments in connection with its bank loans, mortgage payments and carrying charges with respect to some 44,000 acres. **Office** — Southern Blvd., West Palm Beach, Fla. **Underwriter**—None.

Industrial Development Bank of Israel Limited
July 22, 1960 filed 10,000,000 6% preference C shares. **Price**—$1 per share, payable in cash or in Israel bonds. **Proceeds** — For use as working capital to be used in granting loans to firms judged beneficial to the Israel economy. **Office**—113 Allenby Road, Tel-Aviv, Israel. **Underwriter**—Harry E. Brager Associates, Washington, D. C. and New York City. **Offering**—Expected sometime in September.

★ Industrial Timer Corp. (9/6-9)
July 28, 1960 filed 75,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The manufacture and sale of timing controls, relays, and a recently developed actuating programmer. **Proceeds**—For general corporate purposes, including construction, additional personnel, and the reduction of indebtedness. **Office**—1407 McCarter Highway, Newark, N. J. **Underwriters** — G. H. Walker & Co. and C. E. Unterberg, Towbin Co., both of N. Y. City (managing).

● Infrared Industries, Inc. (8/16)
July 6, 1960, filed 135,000 shares of common stock (without par value), 100,000 shares of which are for the company and the balance for the account of certain stockholders. **Price**—To be supplied by amendment. **Proceeds**—Approximately $700,000 will be used to construct and equip the Santa Barbara, Calif. plant for which the company has recently acquired acreage, $450,000 will be used to discharge indebtedness of the company and a subsidiary, and the balance will be used for general corporate purposes including working capital. **Business**—The company produces infrared detectors for most of the infrared systems under procurement by the Armed Forces of the United States and for civilian use as well. **Office**—Waltham, Mass. **Underwriter**—Lehman Brothers, New York City.

★ International Diode Corp.
July 29, 1960 filed 42,000 shares of 6% non-cumulative convertible preferred stock (par $8). **Price** — $8 per share. **Business**—Makes and sells diodes. **Proceeds**—To establish a staff of production and sales engineers, finance new product development, buy equipment, and add to working capital. **Office**—90 Forrest St., Jersey City, N. J. **Underwriter**—Ernst Wells, Inc., New York City.

● International Telephone & Telegraph Corp., Sud America (8/8-12)
June 21, 1960, filed $10,000,000 of debentures due July, 1977. **Price**—100% of principal amount. **Proceeds**—For subsidiaries and general funds. **Office**—67 Broad Street, New York City. **Underwriter**—Bear, Stearns & Co., New York.

Investor Service Fund, Inc.
July 14, 1960, filed 100,000 shares of common stock. **Price**—$10 per share, in 100-share units. **Business**—The company, which has not as yet commenced operations, intends to offer investors a chance to participate in diversified real estate ventures. **Proceeds**—To purchase all or part of the Falls Plaza Shopping Center, Falls Church, Va. **Office**—1823 Jefferson Place, N. W., Washington, D. C. **Underwriters**—Investors Service Securities, Inc., and Riviere Marsh & Co., both of Washington.

● Itemco, Inc. (8/29-9/2)
April 29 filed 200,000 shares of common stock. **Price**—$2.50 per share. **Proceeds**—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. **Office**—18 Beechwood Avenue, Port Washington, N. Y. **Under-**

writers—Morris Cohon & Company and Schrijver & Co., both of New York.

Kent Publishing Co., Inc.
July 20, 1960 (letter of notification) 50,000 shares of common stock (par $1). **Price**—$1.10 per share. **Proceeds**—To retire a short term note and for general corporate purposes. **Office**—619 Southeastern Bldg., Greensboro, N.C. **Underwriter**—McCarley & Co., Inc., Asheville, N.C.

● **Kings Electronics Co., Inc. (8/8-12)**
May 26 filed 200,000 shares of common stock (par 10 cents) and 100,000 common stock purchase warrants. The company proposes to offer these securities for public sale in units, each consisting of one share of common stock and one-half common stock purchase warrant. **Price**—$4 per unit. **Proceeds**—$165,000 will be applied to the repayment of certain loans, $75,000 for development and design work by a subsidiary in the field of infra-red instrumentation, $100,000 for continued research in the design, development and production of components for microwave instruments, and the balance for working capital. **Office**—40 Marbledale Road, Tuckahoe, N. Y. **Underwriters**—Ross, Lyon & Co., Inc.; Globus, Inc.; Reich & Co.; Harold C. Shore & Co. and Godfrey, Hamilton, Magnus & Co., all of New York City.

★ **Kollmorgen Corp.**
July 29, 1960 filed 80,330 shares of common stock (par $2.50) of which 35,000 shares are to be offered for the account of the issuing company and 45,330 shares, representing outstanding stock, are to be offered for the account of the present holder thereof. **Price**—To be supplied by amendment. **Business**—The company makes optical equipment, including submarine periscopes, torque motors, and other electro-mechanical and electronic equipment. **Proceeds**—To redeem all of the outstanding 7% cumulative preferred; for bank debt reduction; to repay outstanding first mortgage note; for machinery and equipment; to pay a promissory note; and for working capital. **Office** — 347 King St., Northampton, Mass. **Underwriter**—Putnam & Co., Hartford, Conn. (managing.) **Offering**—Expected in early October.

Leadville Water Co.
June 28, 1960 (letter of notification) $220,000 of 20-year 6% series A first mortgage coupon bonds to be offered in denominations of $1,000. **Price**—At par. **Proceeds**—For a mortgage payment, outstanding notes, construction of a new water supply and general corporate purposes. **Office**—719 Harrison Ave., Leadville, Colo. **Underwriter**—H. M. Payson & Co., Portland, Me.

Lee Electronics Inc.
June 14, 1960 (letter of notification) 135,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To expand operations. **Office**—3628 Rhawn St., Philadelphia, Pa. **Underwriter** — Atlantic Equities Co., Washington, D. C.

Lee Filter Corp. (8/8)
June 17, 1960, filed 110,000 shares of capital stock (par $1). **Price**—$8.75 per share. **Proceeds**—About $250,000 will be used to discharge bank loans, the proceeds of which were used to provide additional working capital and to discharge other short-term indebtedness; $100,000 for construction and purchase of additional tools, dies and machinery and additions to raw material inventory; and the balance for general corporate purposes. **Office**—191 Talmadge Road, Edison, N. J. **Underwriter**—Myron A. Lomasney & Co., New York.

Lence Lanes, Inc.
July 22, 1960 filed 175,000 shares of common stock (par $1). **Price**—$6 per share. **Business**—The company operates automatic bowling centers, associated ventures such as restaurants, bars, and luncheonettes, sells supplies, and rent lockers, shoes, and meeting rooms. **Proceeds**—To reduce indebtedness, complete Garfield Lanes in Jersey City, N. J., and for working capital. **Office**—4650 Broadway, New York City. **Underwriter**—Marron, Sloss & Co., Inc., New York City (managing). **Offering**—Expected sometime in September.

● **Lestoil Products, Inc. (8/15)**
June 17, 1960 filed 275,000 shares of class A stock and 275,000 shares of common stock (par $1), to be offered for public sale in units, each consisting of one class A and one common share. **Price**—$15 per unit. **Proceeds**—To discharge certain indebtedness, and the balance will be added to working capital and be available for general corporate purposes. **Office**—Holyoke, Mass. **Business**—Company's principal products are Lestoil and Lestare. **Underwriters**—Paine, Webber, Jackson & Curtis, New York and Boston, and Alex. Brown & Sons, Baltimore, Md. and New York.

Liberian Iron Ore Ltd.
May 19 joined with The Liberian American-Swedish Minerals Co., Monrovia, Liberia, in the filing of $15,000,000 of 6¼% first lien collateral trust bonds, series A, due 1980, of Lio, $15,000,000 of 6¼% subordinated debentures due 1985 of Lio, an unspecified number of shares of Lio capital stock, to be offered in units. The units will consist of $500 of collateral trust bonds, $500 of debentures and 15 shares of capital stock. **Price**—For units, to be supplied by amendment, and not to be in excess of par. **Proceeds**—To make loans to Lamco. **Office**—97 Queen St., Charlottetown, Prince Edward Island, Canada, N. S **Underwriter**—White, Weld & Co., Inc., New York. **Note** — This offering has temporarily been postponed.

Lifetime Pools Equipment Corp.
July 1, 1960, filed 100,000 shares of common stock. **Price**—To be supplied by amendment. **Business**—Engaged in the manufacture and selling of fiber glass swimming pools. **Proceeds**—$125,000 will be used to purchase machinery and equipment; $200,000 to purchase raw materials, parts and components; $40,000 for sales and advertising promotion; $30,000 for engineering and development; and the balance will be added to working capital. **Office**—Renovo, Pa. **Underwriter**—First Pennington Corp., Pittsburgh, Pa.

Louisiana Gas Service Co.
June 10, 1960, filed 670,000 shares of common stock (par $10) to be issued by Louisiana Power & Light Co. to stockholders of Middle South Utilities, Inc., on the basis of one share of Louisiana Gas Service Co. common stock for each 25 shares of common stock of Middle South held (with an additional subscription privilege); rights begin in August and expire in September. **Price**—To be supplied by amendment. **Proceeds**—All to be paid to Louisiana Power & Light Co. **Underwriter**—None.

● **Lytton Financial Corp. (9/6-9)**
July 26, 1960 filed 354,000 shares of capital stock, of which 187,500 shares are to be offered for the account of the issuing company and 166,500 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—$2,100,000 will be used to reduce indebtedness, and the balance will be used for working capital and general corporate purposes. **Office**—Hollywood, Calif. **Underwriters**—William R. Staats & Co., Los Angeles, Calif., and Shearson, Hammill & Co., New York City.

Majestic Utilities Corp. (8/25)
April 29 filed $300,000 of 6% convertible 10-year debentures, $250 face value, 30,000 shares of common stock, and options to purchase an additional 30,000 shares. It is proposed to offer these securities for public sale in units (1,200), each consisting of $250 face amount of debentures, 25 shares of common stock, and options to to purchase an additional 25 common shares. **Price**—$350 per unit. **Proceeds**—To be applied in part payment of a $250,310 bank loan and the balance to be added to working capital and used for general corporate purposes. **Office** — 1111 Stout Street, Denver, Colo. **Underwriter**—Purvis & Company, Denver, Colo.

Maule Industries, Inc.
June 15, 1960, filed 254,322 shares of common stock, to offered to holders of the outstanding common at the rate of one new share for each three shares held. **Price**—$7 per share. **Proceeds** — For plant and modernization expenses. **Office**—Miami, Fla. **Underwriter**—None.

★ **McKesson & Robbins, Inc. (8/22-26)**
July 28, 1960 filed $15,000,000 of debentures, due Sept. 1, 1980. **Proceeds** — To retire short-term borrowings, to finance the proposed acquisition of an interest in corporations operating in South America, and to increase working capital. **Office**—155 East 44th St., New York 17, N. Y. **Underwriter** — Goldman, Sachs & Co., New York City (managing).

Mercantile Discount Corp., Chicago, Ill.
June 29, 1960, filed 128,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the capital fund to allow for the expansion of business and to increase borrowing capacity. Part of the proceeds may be used temporarily to reduce bank borrowings. **Underwriters**—Rodman & Renshaw and H. M. Byllesby and Co. Inc., both of Chicago, Ill.

● **Metropolitan Development Corp. (8/8-12)**
June 8 filed 1,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—To complete payments on the company's property, for repayment of loans, and the balance to be added to the general funds for construction purposes and acquisitions. **Office**—Los Angeles, Calif. **Underwriters**—William R. Staats & Co., of Los Angeles, Calif., and Bache & Co. and Shearson, Hammill & Co., both of New York City.

● **Miami Tile & Terrazzo, Inc. (8/17)**
March 11, filed 125,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—Approximately $100,000 to reduce temporary bank loans, $125,000 to reduce accounts payable, $40,000 to establish a new office and warehouse in Jacksonville, Fla., and the balance for general corporate purposes. **Office**—6454 N. E. 4th Ave., Miami, Fla. **Underwriter** — Floyd D. Cerf Jr. Co., Inc., Chicago, Ill.

Miami Ventilated Awning Mfg. Co., Inc.
June 29, 1960 (letter of notification) 150,000 shares of class A common stock (par $1). **Price**—$2 per share. **Proceeds**—To retire loans, purchase new machinery, open a new office and for working capital. **Office**—1850 N. E. 144th St., North Miami, Fla. **Underwriter** — Plymouth Bond & Share Corp., Miami, Fla.

Michigan Bell Telephone Co. (8/16)
July 25, 1960 filed $35,000,000 of debentures, due Aug. 1, 1996. **Proceeds**—To repay advances from American Telephone & Telegraph Co., the parent company, which are expected to approximate $32,000,000 at the time such proceeds are received. **Office**—1365 Cass Ave., Detroit, Mich. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received at room 2315, 195 Broadway, New York City, up to 11 a.m. New York Time on Aug. 16.

Midwest Technical Development Corp.
May 17 filed 561,500 shares of common stock being offered to holders of the outstanding common on a one-for-one basis with rights to expire on Aug. 9. **Price**—$4.75 per share. **Proceeds**—For general corporate purposes. **Office**—Minneapolis, Minn. **Underwriters**—Shearson, Hammill & Co., New York City, and Piper, Jaffray & Hopwood, Minneapolis.

Miles-Samuelson Inc. (8/22-26)
June 22, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For reduction of indebtedness, expansion of the business and general corporate purposes. **Business**—The company is engaged in writing, illustrating and producing a variety of technical material specifically designed for use by industry and the Department of Defense. **Office**—21 East 26th St., New York City. **Underwriter**—Marron, Sloss & Co.,, Inc. of New York City.

★ **Milgo Electronic Corp. (9/6-9)**
July 28, 1960 filed 65,000 shares of common stock (par $1), to be offered to the holders of the outstanding common on the basis of one new share for each six shares held. **Price**—To be supplied by amendment. **Business**—Making and selling electronic equipment and systems for missile and space programs. **Proceeds**—For reduction of short-term bank loans, $635,000; for expansion, $200,000; for product development, $125,000. The balance will be used as working capital. **Office**—7620 N. W. 36th Ave., Miami, Fla. **Underwriter** — Shearson, Hammill & Co., New York City.

Missile-Tronics, Corp.
July 8, 1960, (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For general corporate purposes. **Office**—245 4th Street, Passaic, N. J. **Underwriter**—Edward H. Stern & Co., Inc., 32 Broadway, New York, N. Y. **Offering**—Expected in late August or early September.

★ **Missouri Public Service Co. (9/20)**
Aug. 1, 1960 filed 258,558 shares of common stock (par $1) to be offered to the holders of the outstanding common on the basis of one new share for each eight shares held. **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term bank loans incurred in 1959-60 for construction expenses. **Office**—Kansas City, Mo. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc., and Kidder, Peabody & Co., both of New York City (managing).

Model Finance Service, Inc.
May 26 filed 100,000 shares of second cumulative preferred stock—65c convertible series, $5 par—and $1,000,000 of 6½% junior subordinated debentures, due 1975. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's general working funds. **Office**—202 Dwight Building, Jackson, Mich. **Underwriter**—Paul C. Kimball & Co., Chicago, Ill.

★ **Mohawk Business Machines Corp.**
July 28, 1960 (letter of notiifcation) 2,500 shares of common stock (par 40 cents). **Price** — At-the-market. **Business** — To manufacture and sell magnetic recorders. **Proceeds**—For general corporate purposes. **Office**—944 Halsey St., Brooklyn, N. Y. **Underwriter**—None. **Offering**—Expected in the Fall.

Mustang Lubricant, Inc.
May 9 filed 80,000 shares of class A common stock. **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—Denver, Colo. **Underwriter**—To be supplied by amendment.

● **Namm-Loeser's Inc.**
April 27 filed 217,278 shares of common stock (par $1) all of which is being offered for subscription. The company is offering 108,000 shares of new common stock for subscription by holders of outstanding stock of record Aug. 4, at the rate of one new share for each three shares held with rights to expire on Aug. 19 at 3:30 p.m. EDT. Arebec Corp., of New York, which owns 109,278 common shares, has entered into an agreement to sell said shares to the underwriter. **Price**—$7.75 per share. **Proceeds**—To be added to company's general funds and will enable it to use all or part of the proceeds in the reduction of bank indebtedness. **Office**—2301 Woodward Ave., Detroit, Mich. **Underwriter** — Ladenburg, Thalmann & Co., New York.

● **Narragansett Capital Corp. (9/6-9)**
June 21, 1960, filed 1,000,000 shares of common stock (par $1). **Price**—$11 per share. **Proceeds**—For investment. Office—10 Dorrance Street, Providence, R. I. **Business**—This non-diversified closed-end management investment company intends to provide equity capital and to make long-term loans as contemplated by the Small Business Investment Act of 1958 to a diversified group of small business concerns. **Underwriter**—G. H. Walker & Co., New York.

National Capital Corp. (8/22-26)
June 9, 1960, filed 240,000 shares of class A common stock (par $1). **Price**—$5 per share. **Proceeds**—For reduction of indebtedness, working capital, and general corporate purposes. **Office** — 350 Lincoln Road, Miami Beach, Fla. **Underwriters**—J. A. Winston & Co., Inc., and Netherlands Securities Co., Inc., both of New York City.

National Consolidated Development Corp.
July 25, 1960 filed 70,000 shares of class B common (non-voting) stock. **Price**—$100 per share. **Business**—To acquire business properties, and operate, lease, or sell them for a profit. **Proceeds**—For general corporate purposes, with initial activities scheduled for Phoenix, Ariz. **Office**—South 1403 Grand Ave., Spokane, Wash. **Underwriter** — The stock will be offered through authorized and qualified brokers.

● **National Electronic Tube Corp. (8/8-12)**
April 29, 1960 filed 150,000 shares of common stock (par 5 cents). **Price** — $2 per share. **Proceeds** — For general corporate purposes. **Office**—88 Cortlandt St., New York City. **Underwriter** — Vickers, Christy & Co., Inc. and First City Securities, Inc., both of New York City.

● **National Fountain Fair Corp. (8/15-19)**
May 27 (letter of notification) 75,000 shares of common stock (par $1). **Price** — $4 per share. **Proceeds** — For general corporate purposes. **Office** — 3000 Hempstead Turnpike, Levittown, L. I., N. Y. **Underwriter**—General Investing Corp., New York, N. Y.

● **National Lawnservice Corp.**
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$3 per share. **Proceeds** — For general corporate purposes. **Office** — 410

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Livingston Avenue, North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y. **Offering**—Indefinite.

● **National Patent Development Corp. (8/29-9/2)**
June 8, 1960, filed 150,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—Net of this sale in combination with cash on hand will be used to finance the client and sales solicitation program, and the balance for general corporate purposes. **Office**—68 William St., New York City. **Underwriters** — Globus, Inc. and Ross, Lyon & Co., both of New York City.

Natural Gas Pipeline Co. of America (8/17)
July 1, 1960, filed $25,000,000 of first mortgage pipeline bonds, due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Business**—Public utility. **Underwriters**—Dillon, Read & Co. Inc., and Halsey, Stuart & Co. Inc., both of New York.

Natural Gas Pipeline Co. of America (8/17)
July 1, 1960, filed 150,000 shares of cumulative preferred stock (par $100). **Price**—To be supplied by amendment. **Proceeds**—To be applied in part to the payment of outstanding bank loans and the balance used for construction requirements. **Office** — 122 South Michigan Ave., Chicago, Ill. **Underwriter**—Dillon, Read & Co. Inc., New York.

● **Navajo Freight Lines, Inc. (8/9-12)**
May 9, 1960, filed (with the ICC) 250,000 shares of common stock, of which 189,000 shares, being outstanding stock, will be offered for the account of the present holders thereof, and 61,000 shares will be offered for the account of the issuing company. **Price**—To be supplied by amendment. **Office**—1205 So. Plate River Drive, Denver 23, Colo. **Underwriters**—Hayden, Stone & Co. and Lowell, Murphy & Co. (jointly).

Needham Packing Co. (8/15)
June 28, 1960, filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—Toward the payment of a $2,000,000 bank loan. **Office** — Sioux City, Iowa. **Underwriter** — Cruttenden, Podesta & Co., Chicago.

North American Merchandising Co.
May 26 (letter of notification) $300,000 of 7% convertible sinking fund debentures due July 1, 1965. **Price**—At face amount. **Proceeds**—To repay short-term loans and for working capital. **Office**—118 Cole Street, Dallas, Texas. **Underwriter**—Parker, Ford & Co., Inc., Dallas, Texas. **Offering**—Imminent.

North Washington Land Co.
May 3 filed $1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

Nuclear Engineering Co., Inc.
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—$10 per share. **Proceeds**—To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash.

★ **Nucleonic Corp. of America**
July 28, 1960 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Business**—Developing and manufacturing nuclear detection instruments; equipment and accessories. **Proceeds**—For advertising and increased direct mail; moving to a modern one story plant and leasehold improvements; additional sales personnel and establishment of sales offices in Los Angeles, Boston, Washington and Chicago and for working capital. **Office**—196 DeGraw St., Brooklyn, N. Y. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

Pacific Power & Light Co. (9/21)
July 27, 1960 filed $20,000,000 of 30-year first mortgage bonds. **Proceeds** — To retire $20,000,000 of unsecured promissory notes, to mature on or prior to July 31, 1961. The notes will be used to partially finance the 1960-61 construction program, which is expected to total $61,000,000. **Office** — Portland, Ore. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Blyth & Co. and White, Weld & Co. (jointly); Eastman Dillon, Union Securities & Co. **Bids**—Expected to be received on Sept. 21 at 12 noon.

Pacotronics, Inc. (8/15-19)
June 2 filed 150,000 shares of common stock. **Price**—$4 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and research and development expenses. **Office** — 70-31 84th Street, Glendale, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York City.

Patrick County Canning Co., Inc.
March 25 filed 140,000 shares of common stock. **Price**—$3 per share. **Proceeds**—About $162,000 will be applied to the payment of certain indebtedness; $25,000 for additional machinery and equipment; and $118,752 for working capital, promotion and advertising. **Office**—52 Broadway, New York. **Underwriter** — G. Everett Parks & Co., Inc., New York. **Offering** — Expected in early August.

Pearson Corp. (8/22-26)
March 30 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—$60,000 will be utilized to repay the company's indebtedness to Business Development Co. of Rhode Island; the balance will be added to working capital for general corporate purposes, principally to finance inventory and for other manufacturing costs. **Office**—1 Constitution St., Bristol, R. I. **Underwriter**—R. A. Holman & Co., Inc., New York.

● **Perkin-Elmer Corp. (9/15)**
July 21, 1960 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The company is engaged in the design, manufacture, and sale of scientific instruments. **Proceeds**—For plant construction ($1,400,000), machinery and equipment ($500,000), and general funds. **Office** — Main Ave., Norwalk, Conn. **Underwriter**—Blyth & Co., Inc., New York City (managing).

Philippine Oil Development Co., Inc.
March 30 filed 103,452,615 shares of capital stock, to be offered for subscription by stockholders at the rate of one new share for each 5½ shares held. **Price** — To be supplied by amendment. **Proceeds**—To be added to the company's working capital. **Office** — Soriano Bldg., Manila, Philippines. **Underwriter**—None. **Offering**—Expected sometime in September.

★ **Pik-Quik, Inc.**
July 27, 1960 filed 550,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Business**—The organization and operation of self-service markets in Florida under the names of "Pik-Quik" and "Tom Thum." There are now 31 such markets. **Proceeds**—Together with other funds, the proceeds will be used to purchase substantially all of the assets of Plymouth Rock Provision Co., Inc. **Office**—Baker Bldg., Minneapolis, Minn. **Underwriter**—A. C. Allyn & Co., Inc., New York City. **Offering**—Expected in mid-September.

● **Plastics & Fibers, Inc.**
June 14 (letter of notification) 150,000 shares of common stock (par 20 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Avenue, South River, N. J. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y. **Note**—The underwriter states that this offering will be delayed.

★ **Possis Machine Corp.**
July 25, 1960 (letter of notification) 40,000 shares of common stock (par 25 cents). **Price** — $7.50 per share. **Proceeds**—To acquire new facilities, purchase additional equipment, reduce existing indebtednesss and for working capital. **Office** — 1645 Hennepin Ave., Minneapolis, Minn. **Underwriter** — Craig-Hallum,, Inc., Minneapolis, Minn.

● **Power Cat Coat Corp (8/10)**
July 5, 1960 (letter of notification) 300,000 shares of common stock (no par). **Price**—$1 per share. **Proceeds**—To discharge short term debts, working capital, plant equipment, inventories, etc. **Office**—15623 S. Lakewood Blvd., Paramount, Calif. **Underwriter**—Holton, Henderson & Co.,, Los Angeles, Calif.

● **Powertron Ultrasonics, Inc. (8/5-10)**
June 20, 1960 filed 205,000 shares of common stock. **Price**—$2 per share. **Proceeds**—$143,668 will be used to retire three short-term notes, and the balance of approximately $256,832 will be used to provide additional working capital. **Office** — Roosevelt Field Industrial Park, Garden City, L. I., N. Y. **Business** — Company develops and markets a variety of electrical and electronic products incorporating ultrasonic principles. **Underwriter**—None.

Progress Electronics Corp.
May 25 (letter of notification) 200,000 shares of common stock (par $1). **Price**—$1.50 per share. **Proceeds**—To develop and produce proprietary items in the electronics field. **Office**—1240 First Security Building, Salt Lake City, Utah. **Note** — A new underwriter is to be named shortly.

Provident Fund for Income, Inc.
Dec. 23 filed 400,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—3 Penn Center Plaza, Philadelphia, Pa. **Underwriter**—Provident Management Corp., same address.

● **Puerto Rico Telephone Co.**
June 23, 1960, filed 100,000 shares of $20 par common stock being offered for subscription by holders of its outstanding common stock on the basis of one new share for each five shares held of record July 27, with rights to expire on Aug. 11. **Price**—$41 per share. **Proceeds**—Together with other funds, will be added to the general funds of the company, which will be used in furtherance of a five year expansion and improvement program initiated in 1959, and to repay indebtedness to banks and ITT incurred for the purchase of materials and equipment used or to be used for said program. **Office**—261 Tanca St., San Juan, Puerto Rico. **Underwriter**—None.

★ **Puriton Corp.**
Aug. 3, 1960 filed 250,000 shares of common stock, of which 200,000 shares are to be offered for the account of the issuing company and 50,000 shares, representing outstanding stock, are to be offered for the account of Joseph Stein, President, the present holder thereof. **Price**—To be supplied by amendment. **Business**—Makes and sells electronic air purifiers and range hoods. **Proceeds** — To retire indebtedness, with the balance for capital expenditures. **Office**—New Haven, Conn. **Underwriter**—Bache & Co., New York City (managing).

Putnam (J. L.) Co., Inc.
June 16, 1960 (letter of notification) 50,000 shares of class B common stock (par $1). **Price** — $4 per share. **Proceeds** — For general corporate purposes. **Address**—Biddeford, Maine. **Underwriters** — J. L. Brady & Co., Worcester, Mass. and David G. Means, Bangor, Maine.

Pyramid Electric Co.
April 1 filed 89,675 shares of common stock to be issued to holders of the company's outstanding stock purchase warrants at the rate of one share for each warrant at a price of $3.25 per share. The warrants were issued in and after May, 1954, in connection with a previous public offering and included 46,000 to the underwriter, S. D. Fuller & Co., and 46,000 to the company's officers and employees. At present there are 89,675 warrants outstanding. **Office**—52 Broadway, New York. **Offering**—Imminent.

● **Rayson Craft Boat Co. (8/5-15)**
July 11, 1960, (letter of notification) 100,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—To purchase additional equipment, for sales, purchase of inventory and working capital. **Address** — Gardena, Calif. **Underwriter**—California Investors, Los Angeles, Calif.

Reilly-Wolff Associates, Inc. (8/22)
June 14, 1960 (letter of notification) 43,000 shares of class A stock (par one cent). **Price**—$5 per share. **Business**—The company is an integrated furniture manufacturer, specializing in outdoor and office types of furniture. **Proceeds**—For general corporate purposes. **Office**—120 E. 32nd St., New York, N. Y. **Underwriter**—Arden Perin & Co., Inc., New York, N. Y.

● **Renmar Corp.**
July 1, 1960 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—$4 per share. **Proceeds**—For the development and construction of homes. **Office** — 2943 Broadway, Riviera Beach, Fla. **Underwriters**—D. Klapper Associates, Inc., and Norton Fox & Co., Inc., both of New York City. **Offering**—Imminent.

● **Republic Ambassador Associates**
April 29 filed $10,000,000 of Limited Partnership Interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To purchase hotels in Chicago from a Webb & Knapp subsidiary. **Office**—111 West Monroe Street, Chicago, Ill. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Expected in mid-to-late August.

★ **Republic Steel Corp. (8/30)**
Aug. 1, 1960 filed $125,000,000 of sinking fund debentures, due Sept. 1, 1985. **Price** — To be supplied by amendment. **Proceeds**—For plant expenditures. **Office**—Cleveland, O. **Underwriters** — First Boston Corp. and Merrill Lynch, Pierce, Fenner & Smith, Inc., both of New York City (managing).

Resiflex Laboratory, Inc.
July 18, 1960, filed 100,000 shares of common stock, of which 40,000 shares are to be offered for the account of the issuing company, and 60,000 shares, being outstanding stock, for the account of the present holders thereof. **Price**—To be supplied by amendment. **Business**—The manufacture and sale of disposable plastic tubular products, and the assembling and marketing of blood donor sets. **Proceeds** — For plant expansion, increased production facilities, and working capital. **Office**—864 South Robertson Blvd., Los Angeles, Calif. **Underwriter**—Blunt Ellis & Simmons, Chicago, Ill.

★ **Reva Enterprises, Inc. (9/19-23)**
July 28, 1960 filed 200,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Business**—The establishment and operation of bowling centers. **Proceeds**—For general corporate purposes. **Office**—525 Lincoln St., Worcester, Mass. **Underwriters**—Blair & Co., Inc., New York City and Chace, Whiteside & Winslow Inc., Boston, Mass. (managing).

● **Rez-Tile Industries, Inc. (8/8-12)**
June 29, 1960 (letter of notification) 150,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—For a new product development and working capital. **Office**—11801 Florida Ave., Tampa, Fla. **Underwriters**—Vickers, Christy & Co., Inc. and First City Securities, Inc., New York, N. Y.

★ **River Road Publishing Co., Inc.**
July 21, 1960 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$2 per share. **Proceeds**—To purchase machinery, equipment and supplies and for working capital. **Office**—1004 S. 18th St., Baton Rouge, La. **Underwriter**—None.

● **Rochester Telephone Co. (9/21)**
July 21, 1960 filed $12,000,000 of series "E" first mortgage bonds, which will mature in 33 years, on Sept. 1, 1993. **Proceeds**—The proceeds of this sale will be used to repay bank loans for construction and extension of facilities in service by the date of the proposed sale. **Underwriter** — To be determined by competitive bidding. Probable bidders: First Boston Corp., and Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co., and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received on Sept. 21, 1960, up to 11:00 a.m. New York Time. **Information Meeting**—Scheduled for Sept. 19.

Rocky Mountain Natural Gas Co., Inc.
July 15, 1960, filed $2,350,000 of sinking fund debentures, due 1980, and 235,000 shares of common stock (par $3) to be offered in units consisting of a $50 debenture and an unannounced number of common shares. **Price**—To be supplied by amendment. **Proceeds**—For construction expenditures and the reduction of indebtedness. **Office**—1726 Champa St., Denver, Colo. **Underwriter** — Merrill Lynch, Pierce, Fenner & Smith Inc. (managing). **Offering**—Expected in late September.

Roliton Corp. (8/10)
June 28, 1960, (letter of notification) 175,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For training, advertising, salaries and fees, travel expenses and working capital. **Office** — 1600 Ogden Street, Denver, Colo. **Underwriter**—Copley & Co., Colorado Springs, Colo.

Roller Derby TV, Inc.
March 30 filed 277,000 shares of common stock, of which 117,000 shares are to be offered for public sale by the issuing company, and the remaining 145,000 shares will be sold for the account of certain selling stockholders.

Price—To be supplied by amendment. **Proceeds**—For general corporate purposes relating to the production and sales of motion picture films of the Roller Derby, and the balance for working capital. **Office**—4435 Woodley Ave., Encino, Calif. **Underwriter**—To be supplied by amendment.

Rollins Broadcasting Inc.
July 22, 1960 filed 110,000 shares of common stock (par $1), of which 75,000 shares will be sold for the account of the issuing company and 35,000 shares, representing outstanding stock, will be sold for the account of John W. Rollins, selling stockholder, who is a director. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Wilmington, Del. **Underwriter**—F. Eberstadt & Co., New York City. **Offering**—Expected in early September.

Rotating Components, Inc. (8/15-19)
July 8, 1960 (letter of notification), 100,000 shares of common stock (par 1¢). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—267 Green St., Brooklyn 2, N. Y. **Underwriter**—S. Schramm & Co., Inc., New York, N. Y.

● **Roto-American Corp. (8/22-26)**
May 27 filed 75,000 shares of common stock (par $1) to be offered for cash sale to the public, and 44,283 shares to be issued in exchange for common and preferred shares of four subsidiaries. **Price**—To be supplied by amendment. **Proceeds**—To be used largely for reduction of accounts payable, as well as for new tooling, research, repayment of an officer's loan, and general corporate purposes. **Office**—93 Worth Street, New York. **Underwriter**—Morris Cohon & Co., New York.

Russell Stover Candies, Inc. (9/15)
Aug. 3, 1960 filed 200,000 shares of common stock (par $1), of which up to 75,000 shares may be reserved for certain of the issuer's officers and employees, with the balance to be offered publicly. **Price**—To be supplied by amendment. **Proceeds** — For redemption of outstanding preferred, with the balance for working capital. **Office**—1206 Main St., Kansas City, Mo. **Underwriters**—Harriman Ripley & Co., Inc., New York City, and Stern Brothers, Kansas City, Mo.

Sachar Properties, Inc. (8/29-9/2)
July 6, 1960, filed $300,000 of 8% subordinated instalment convertible debentures due 1970, 150,000 shares of common stock (par 10 cents) and 30,000 common stock purchase warrants. It is proposed to offer these securities in units, each unit is to consist of $100 principal amount of debentures, 50 common shares, and 10 warrants exercisable at $2 per share until 1965. **Price**—$200 per unit. **Proceeds**—$200,000 to purchase the Second Ave. and E. 82nd St. properties; $51,000 to purchase the New Rochelle property; and the balance for working capital. **Business**—The company intends principally to deal in and with unimproved real property, to sell parcels as building sites, to subdivide and improve parcels and sell same as building sites, and to obtain or prepare building plans and financing arrangements in respect thereof. **Office**—598 Madison Ave., New York. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc., both of New York.

● **Safticraft Corp., Patterson, La. (8/9)**
April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—The company proposes to use $50,000 to expand its efforts in the sale of Safticraft boats nationally; $250,000 for reduction of short-term borrowings; and the remaining $293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter** — George, O'Neill & Co., Inc., New York.

● **Saucon Development Corp.**
April 28 (letter of notification) an undetermined number of shares of common stock (par $1) not to exceed $300,000. **Price**—To be supplied by amendment. **Proceeds**—For mining expenses. **Office** — c/o Wallace F. McQuade, Pres., 246 Beaconsfield Blvd., Beaconsfield, Quebec, Canada. **Underwriter**—To be named.

● **Sav-A-Stop, Inc. (8/8-12)**
May 27 filed 100,000 shares of common stock (par 10 cents). **Price**—$4.50 per share. **Proceeds**—For working capital. **Office** — 2202 Main Street, Jacksonville. Fla. **Underwriter**—Pistell, Crow Inc., of New York City, formerly Pistell, Schroeder & Co.

● **Sea-Highways, Inc. (8/8-12)**
May 9 filed 150,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For working capital. **Office**—Pan-American Bank Bldg., Miami, Fla. **Underwriter**—John R. Maher Associates, of New York.

Sealed Air Corp. (8/15-19)
July 15, 1960 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For general corporate purposes. **Office** — 330 Wagaraw Rd., Hawthorne, N. J. **Underwriters**—Bertner Bros. and Earl Edden Co., New York, N. Y.

Softol, Inc. (8/10-15)
June 17, 1960 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds** — For general corporate purposes. **Office** — 992 Springfield Ave., Irvington, N. J. **Business**—The company manufactures cosmetics and toiletry items. **Underwriter**—Harwyn Securities, Inc., 1457 Broadway, New York 36, N. Y.

Sonex, Inc.
June 29, 1960 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For machinery, cost of moving and leasehold improvements and working capital. **Office**—185 W. Schoolhouse Lane, Philadelphia 44, Pa. **Underwriter** — Hess, Grant & Remington, Inc., Philadelphia, Pa.

Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,-000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Indefinite.

Southern California Edison Co. (8/23)
July 20, 1960,, filed $60,000,000 of first and refunding mortgage bonds, series M, due 1985. **Proceeds**—To retire outstanding short-term borrowings and to finance the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp. and Dean Witter & Co. (jointly). **Bids**—Expected to be received on Aug. 23 at 8:30 a.m. (California Time), at 601 N. 5th St., Los Angeles, Calif. **Information**—Available upon request at the office of Sullivan & Cromwell, 48 Wall St., New York City, on or before Aug. 19.

Southwestern Oil Producers, Inc.
March 23 filed 700,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas. **Underwriter** — Elmer K. Aagaard, 6 Salt Lake Stock Exchange Bldg., Salt Lake City, Utah.

★ **Spray-Bilt, Inc.**
July 25 filed (in the Atlanta SEC office) 100,000 shares of common stock (par 10c). **Price**—$2.50 per share. **Proceeds**—To increase inventory of "fiberglaspray" equipment, establish seven additional regional sales offices, and add to working capital. **Office** — 3605 East Tenth Court, Hialeah, Fla. **Underwriter**—J. I. Magaril Co., 37 Wall St., New York City.

Sprayfoil Corp.
June 22, 1960, filed 250,000 shares of common stock. **Price**—$2 per share. **Proceeds**—Approximately $250,000 will be used in the development, engineering and design of new products, approximatly $150,000 will be used in the manufacture of the products of the company and for the purchase of necessary tools and equipment, and approximately $93,443 will be added to the company's working capital. **Business**—The company engages in the development, engineering and exploitation of products and uses applying the principles incorporated in patents covering the so-called "Coanda airfoil technique" of atomizing liquids. **Office**—2635 Louisiana Ave., South, Minneapolis, Minn. **Underwriter**—None.

● **Steck Co.**
June 24, 1960, filed 60,000 shares of common stock, of which 30,000 shares are to be offered for public sale by the issuing company and 30,000 shares are now outstanding and are to be offered by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To supply funds for working capital. **Office**—205 West 9th St., Austin, Tex. **Business**—The company is engaged in the printing and publishing business and in the sale of office supplies and equipment. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Texas. **Offering** — Expected mid-to-late August.

Storm Mountain Ski Corp.
June 30, 1960, filed $500,000 of 8% subordinated debentures due 1975 and 100,000 shares of common stock, to be offered for public sale in units consisting of a $50 debenture and 10 shares of stock. **Price**—$75 per unit. **Proceeds** — To pursue the development of the resort. **Office** — Steamboat Springs, Colo. **Business** — Company was organized for the purpose of developing and operating a ski and summer resort on Storm Mountain on the Continental Divide, about 2 miles from Steamboat Springs. **Underwriter**—None.

Strolee of California Inc.
July 19, 1960, filed 150,000 shares of outstanding common stock. **Price**—$5 per share. **Business**—The manufacture of strollers, high chairs and other similar types of juvenile items. **Proceeds**—To selling stockholders. **Office**—Los Angeles, Calif. **Underwriters**—Federman, Stonehill & Co. of New York City; Mitchum, Jones & Templeton of Los Angeles, Calif., and Schweickart & Co., of New York City.

Sunbury Milk Products Co.
June 20, 1960 (letter of notification) 20,000 shares of common stock (par $5). **Price**—$15 per share. **Proceeds**—To liquidate short-term bank loans and for working capital. **Office**—178 Lenker Ave., Sunbury, Pa. **Underwriter**—Hecker & Co., Philadelphia, Pa.

System Meat Co. (8/15)
June 2 filed 150,000 shares of common stock. **Price**—$5 per share. **Proceeds** — For payment of employees' salaries, first mortgage installment, accrued officers' salaries, and the balance for working capital. **Office** — Newcastle, Wyo. **Underwriter**—Purvis & Co., Denver, Colo.

★ **Technical Measurement Corp.**
July 29, 1960 filed 120,000 shares of common stock (par 20 cents). **Price** — $5 per share. **Business** — Makes, and sells electronic equipment, principally multi-channel digital computers. **Proceeds** — For debt reduction, research and development, engineering equipment and fixtures, and working capital. **Office**—441 Washington Ave., North Haven, Conn. **Underwriter**—Pistell, Crow, Inc., New York City.

Techno Fund, Inc. (8/15)
June 24, 1960, filed 400,000 shares of common stock. **Price**—$12.50 per share. **Proceeds**—For investment. **Office**—50 West Gay St., Columbus, Ohio. **Business**—A closed-end, non-diversified management investment company. **Underwriters**—The Ohio Company, Columbus, Ohio and Merrill, Turben & Co., Inc., Cleveland, Ohio.

Tech-Ohm Electronics, Inc. (8/15-19)
June 29, 1960, (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—36-11 33rd Street, Long Island City, N. Y. **Underwriter** — Edward Lewis Co., Inc., New York, N. Y.

★ **Telecolor**
July 25, 1960 (letter of notification) 150,000 shares of common capital stock (par 25 cents) of which 100,000 shares are to be offered by officers. **Price**—$2 per share. **Proceeds**—To lease equipment and for working capital. **Office** — 7922 Melrose Ave., Hollywood, Calif. **Underwriter**—Raymond Moore & Co., Los Angeles, Calif.

Telephone & Electronics Corp. (8/15-19)
June 14, 1960 (letter of notification) 52,980 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes. **Office**—7 East 42nd St., New York 17, N. Y. **Underwriter**—Equity Securities & Co., New York, N. Y.

● **Tempest International Corp. (8/15-19)**
July 11, 1960 filed 100,000 shares of common stock (par 10 cents. **Price** — $3 per share. **Proceeds** — For construction of a factory, and the balance for general corporate purposes. **Office** — Pan American Bank Building, Miami 32, Fla. **Underwriter** — Equity Securities Co., 39 Broadway, New York City.

Terminal Electronics, Inc. (8/15-19)
June 24, 1960, filed 166,668 shares of capital stock (par 25 cents), of which 83,334 shares are to be offered for public sale for the account of the issuing company and the balance for the account of William Filler, President. **Price**—$6 per share. **Proceeds**—$190,000 is to be used to pay the remaining balance of its obligation incurred in connection with the purchase of Terminal stock from the Estate of Frank Miller; $100,000 to repay a bank loan; and the balance for general corporate purposes, including the obtaining and equipping of an additional retail outlet. **Business**—Wholesale and retail distribution of retail electronics parts and components. **Office**—236-246 17th Street, New York. **Underwriters**—J. A. Winston & Co., Inc. and Netherlands Securities Co., Inc., both of New York. **Note**—Name is to be changed to Terminal-Hudson Electronics, Inc. upon effectiveness of a merger with Hudson Radio & TV Corp., which will take place if and when all of the shares offered hereby are sold.

● **Texas Eastern Transmission Corp. (8/10)**
April 11 filed $25,000,000 of debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For the reduction of indebtedness and for construction expenses. **Office**—Houston, Texas. **Underwriter**—Dillon, Read & Co., Inc., New York City.

Three-L-Corp.
March 24 filed 3,500,000 shares of common stock. **Price**—$1 per share. **Proceeds**—$46,098 will be applied to the acquisition of 493 acreas of land in Fairfield Township, Hyde County, and $15,000 for payment of the July instalment on acquisition of about 12,726 acres in Hyde County; $500,000 for purchase and installation of machinery, equipment and saw mill and $75,000 for working capital in connection with lumber operations; $65,000 for January 1961 instalment payment on the 12,726 acres; and the balance to purchase livestock, planting feed and pasture, raising livestock, and additional working capital. **Office**—Fairfield, N. C. **Underwriter**—Participating dealers will receive 15 cents per share.

Timely Clothes, Inc.
July 25, 1960 filed $840,000 of convertible subordinated debentures, due 1980, to be offered to the holders of the outstanding common on the basis of $100 principal amount of debentures for each 16⅔ shares of common held. The record date and interest rate will be supplied by amendment. **Business** — The firm makes and sells men's clothes, and operates, through two subsidiaries, 10 retail stores. **Proceeds**—To reduce indebtedness, with the balance for working capital. **Office** — 1415 Clinton Ave. North, Rochester, N. Y. **Underwriter**—Cartwright & Parmelee, New York City (managing). **Offering**—Expected in September.

Townsend Investment Co., Inc.
June 20, 1960 (letter of notification) $300,000 of 6% first mortgage bonds and 3,000 shares of common stock (par $5) to be offered in units consisting of one $1,000 bond and 10 shares of common stock. **Price**—$1,000 per unit. **Proceeds**—To pay off a present mortgage and for working capital. **Address** — P. O. Box 68, Townsend, Tenn. **Underwriter**—Davidson & Co., Inc., Knoxville, Tenn.

● **Trans-Coast Investment Co. (8/17)**
June 22, 1960, filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—From the sale of an unspecified number of the shares, for selling stockholders; from the sale of the remainder, for the operation of the Trans-Coast Insurance Agency. **Office**—210 W. 7th St., Los Angeles, Calif. **Underwriter**—Lehman Brothers, New York City.

Transis-Tronics, Inc.
July 18, 1960 (letter of notification) 95,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—To retire short term loans; for research and development and for working capital. **Office**—1650-21st St., St., Santa Monica, Calif. **Underwriter**—V. K. Osborne & Sons, Inc., Beverly Hills, Calif.

Transnation Realty Corp. (8/15-19)
March 1 filed $700,000 of 8% subordinated Installment debentures, due in March, 1970, 70,000 shares of com-

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mon stock (10 cents par) and 35,000 common stock purchase warrants (exercisable at $4.30 per share until May 15, 1965), to be offered in units consisting of $100 of debentures, 10 common shares, and five warrants. **Price**—$143 per unit. **Proceeds**—To be applied toward the company's general business activities. **Office**—292 Madison Avenue, New York. **Underwriters**—Ross, Lyon & Co., Inc., and Globus, Inc., both of New York. **Note**—This company was formerly called the Goelet Corp.

★ Triangle Lumber Corp. (9/1)
July 28, 1960 filed 140,000 shares of common stock (par $1), of which 118,000 shares are to be publicly offered by the company and the remaining 22,000 shares are to be offered to the company's officers and employees. **Prices**—For the 118,000 shares, $8 per share; for the 22,000 shares,, $7.20 per share. **Businesss** — The buying, warehousing, milling, and distribution of lumber, plywood, and millwork for use in residential and industrial construction. **Proceeds** — For general funds to provide additional working capital, and may be used in part to retire short-term indebtedness. **Office**—45 North Station Plaza, Great Neck, L. I., N. Y. **Underwriter**—Bear, Stearns & Co., New York City (managing).

Union Texas Natural Gas Corp.
July 8, 1960, filed 150,248 shares of outstanding class A stock (par $1), and 75,124 shares of outstanding class B stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — 811 Rusk Ave., Houston, Texas. **Underwriters** — Carl M. Loeb, Rhoades & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and Smith, Barney & Co., Inc., all of New York City. **Offering**—Expected in mid-August.

● United Aero Products Corp. (8/15-19)
June 15, 1960 filed 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Business**—The manufacture of precision metal products for use in the aircraft, missile and electronics industries. **Proceeds**—For an additional plant, machinery and equipment, the repayment of loans, and the balance for working capital. **Office**—Burlington, N. J. **Underwriters**—L. C. Wegard & Co. of Levittown, N. J.; Street & Co., Inc. of New York City; Woodcock, Moyer, Fricke & French of Philadelphia, Pa.; First Broad Street Corp., Russell & Saxe and V. S. Wickett & Co., Inc. all of New York City.

● United States Boat Corp. (8/15-19)
March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—$2 per share. **Proceeds**—$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of $45,000 to U. S. Pool Corp. **Office** — 27 Haynes Avenue, Newark, N. J. **Underwriter**—Richard Bruce & Co., Inc., New York.

United States Bowling Corp.
June 22, 1960, (letter of notification) 112,500 shares of common stock (par 25 cents) and $112,500 of 10-year 6½% convertible debentures to be offered in units of one debenture ($100 principal amount) and 100 shares of common stock. **Price**—$200 per unit. **Proceeds**—For working capital to lease and operate additional bowling centers. **Office**—East 701 First National Bank Building, St. Paul, Minn. **Underwriter** — Irving J. Rice & Co., St. Paul, Minn.

U. S. Photo Supply Co., Inc.
June 23, 1960, (letter of notification) 120,000 shares of common stock (par 50 cents). **Price**—$2.50 per share. **Proceeds**—To pay debts and increase line of credit. **Office**—6478 Sligo Mill Road, Washington 12, D. C. **Underwriter**—Balogh & Co., Washington, D. C.

★ Utah Power & Light Co. (9/14)
July 29, 1960 filed $16 million of first mortgage bonds, due 1990, and $10 million (400,000 shares) of $25 par cumulative preferred stock, series A. **Proceeds**—For construction purposes and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. and First Boston Corp. (jointly); White, Weld & Co.; Stone & Webster Securities Corp. (jointly); Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lehman Bros.; Bear, Stearns & Co. **Bids**—Expected to be received on Sept. 14. **Information Meeting**—Scheduled for Sept. 12 at 2 Rector St., New York City.

Variable Annuity Life Insurance Co. of America (8/9)
June 16, 1960 filed 1,000,000 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—Primarily to develop and expand the company's business. **Office**—1832 M St., N. W., Washington, D. C. **Underwriter** — John C. Legg & Co., Baltimore and New York.

★ Vendo Co.
July 29, 1960 filed $5,250,000 of convertible subordinated debentures, due 1980, to be offered to holders of the outstanding common on the basis of $100 principal amount of debentures for each 50 shares held. **Price**—To be supplied by amendment. **Proceeds**—For working capital; all or part of the proceeds may be applied to the reduction of short-term bank borrowings, which amounted to $8,500,000 on June 30. **Office**—7400 E. 12th St., Kansas City, Mo. **Underwriter**—Kidder, Peabody & Co. (managing). **Offering**—Expected in late September.

Venture Capital Corp. of America
June 29, 1960, filed 275,000 shares of common stock (par $1). **Price** — $7.50 per share. **Proceeds** — To be used to fulfill the $300,000 minimum capital requirements of the Small Business Investment Act. **Business**—A closed-end non-diversified management investment company. **Office**—375 Park Ave., New York. **Underwriters**—Filor, Bullard & Smyth, Hardy & Co., Sprayregen, Haft & Co. and Bregman, Cummings & Co., all of New York. **Offering**—Expected in late August or early September.

★ Vitramon, Inc. (9/6-9)
July 27, 1960 filed 103,512 shares of common stock (par 10 cents), of which 25,650 shares are to be offered for the account of the issuing company and 77,862 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price** — To be supplied by amendment. **Business** — The manufacture and sale of dielectric capacitors. **Proceeds** — $25,000 to redeem outstanding preferred stock; $112,500 to prepay the balance on mortgage notes; and the balance for working capital. **Office**—Bridgeport, Conn. **Underwriter**—G. H. Walker & Co., New York City.

★ Wallace Press, Inc.
Aug. 3, 1960 filed 184,435 shares of common stock (par $10). **Price**—To be supplied by amendment. **Business**—Commercial printing and the production of business forms, catalogs, and technical manuals. **Proceeds** — To selling stockholders. **Office**—Chicago, Ill. **Underwriters**—Shearson, Hammill & Co., New York City, and Wm. H. Tegtmeyer & Co., St. Louis, Mo. (managing). **Offering**—Expected sometime in September.

Warner Electric Brake & Clutch Co. (8/17)
June 29, 1960, filed 154,916 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—South Beloit, Ill. **Business** — Company produces electrically - actuated brakes and clutches used in a wide variety of industrial equipment, electric wheel brakes for mobile homes and trailers, and electric compressor and fan clutches used in automotive air conditioning and cooling systems. **Underwriters**—Blunt Ellis & Simmons and Bacon, Whipple & Co., both of Chicago, Ill.

Waterman Products Co., Inc.
June 24, 1960, filed 100,000 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—To be used primarily to accelerate the development of the company's proprietary items for the purpose of expanding its commercial business. **Business**—Electronics field. **Office**—2445 Emerald St., Philadelphia, Pa. **Underwriter**—Stroud & Co., Philadelphia and New York. **Offering**—Expected in late August.

Wenwood Organizations Inc.
June 17, 1960 filed $550,000 of 7½% subordinated sinking fund debentures due July, 1970 (with common stock purchase warrants). **Price**—100% of principal amount. **Proceeds**—$100,000 will be used for payment of a bank loan incurred to help finance the disposal plant and an estimated additional $50,000 to complete the plant; $109,000 to retire 10% debentures issued in payment of certain obligations of the company for services rendered; $25,000 for a sales program in connection with the Florida homes; and the balance for working capital to finance the continued development of the residential community in Sarasota and the construction of homes in West Palm Beach, and the development of a shopping center in Selden, L. I. **Office**—526 North Washington Blvd., Sarasota, Fla. **Underwriter**—Michael G. Kletz & Co., Inc., New York. **Offering**—Expected in late August or early September.

Western Factors, Inc.
June 29, 1960, filed 700,000 shares of common stock. **Price**—$1.50 per share. **Proceeds**—To be used principally for the purchase of additional accounts receivable and also may be used to liquidate current and long-term liabilities. **Office** — 1201 Continental Bank Bldg., Salt Lake City, Utah. **Business**—Factoring. **Underwriter**—Elmer K. Aagaard, Newhouse Bldg., Salt Lake City, Utah.

● Western Kentucky Gas Co. (8/11)
June 22, 1960, filed 55,000 outstanding shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholder (Henry L. Hillman of Pittsburgh, Pa.). **Business**—Operating public utility. **Address**—608 Frederica St., Owensboro, Ky.. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.. and New York.

Western Land Corp.
July 5, 1960, filed 1,500,000 shares of common stock. **Price**—$2 per share. **Business**—Company proposes to engage in the real estate business, including the purchase and sale of real property and the purchase or construction and development of industrial and other properties, including shopping centers and apartment and office buildings. **Proceeds** — Primarily for real estate investment. **Office**—2205 First National Bank Bldg., Minneapolis, Minn. **Underwriter** — First Western Corp., of Minneapolis, Minn.

● Whitmoyer Laboratories, Inc. (8/15-19)
Jan. 28 filed 85,000 shares of common stock and $500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at $5 per share. **Price** — For the debentures, 100% of principal amount; for the 85,000 common shares, $6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

● Willer Color Television System, Inc. (8/15-19)
Jan. 29 (letter of notification) 80,890 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—151 Odell Avenue, Yonkers, N. Y. **Underwriter**—Equity Securities Co., 39 Broadway, New York City.

WonderBowl, Inc.
April 14 filed 3,401,351 shares of common stock (par $2). **Price**—$2 per share. **Proceeds**—For purchase of certain property, for constructing a motel on said property and various leasehold improvements on the property. **Office**—7805 Sunset Boulevard, Los Angeles, Calif. **Underwriter**—Standard Securities Corp., same address.

● Yardney Electric Corp. (9/12-16)
July 11, 1960 filed 254,000 shares of outstanding common stock (par 50 cents). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—The company is principally engaged in the development, design, manufacture and sale of silver-zinc primary and rechargeable batteries. **Office**—New York City. **Underwriter**—Kidder, Peabody & Co., New York.

Yuscaran Mining Co.
May 6 filed 1,000,000 shares of common stock. **Price**—$1 per share. **Proceeds**—It is expected that some $100,000 will be used to purchase and install a mill for the processing of ore; $60,000 for rails, ties, rail cars and related equipment; $10,000 for rebuilding roads; $30,000 for transportation equipment; and $655,000 for working capital. **Office**—6815 Tordera St., Coral Gables, Fla. **Underwriter**—None. **Note**—The SEC has challenged the accuracy and adequacy of this statement. A hearing scheduled for July 27 was postponed to Aug. 29 at the request of the company counsel.

Prospective Offerings

Acme Steel Co.
March 25 the company's annual report stated that capital improvements during 1960-63, inclusive, have been projected to cost between $40,000,000 and $45,000,000. It is anticipated that a substantial proportion of this money will be forthcoming from depreciation and retained earnings. In addition, the sale of $10,000,000 of preferred stock in 1960 is planned to supply a part of these overall capital requirements. **Office**—Chicago, Ill.

Alexander's Department Stores, Inc.
July 6 it was reported that this Bronx (N. Y.)-based retail chain is contemplating an issue of common stock. No confirmation was available.

● American Telephone & Telegraph Co. (10/25)
July 20, 1960, the directors authorized a new debenture bond issue of $250,000,000. **Proceeds** — For improvement and expansion of Bell Telephone services. **Office**—195 Broadway, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Morgan Stanley & Co., and The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly). **Bids** — Expected to be received on Oct. 25. **Information Meeting**—Scheduled for Oct. 20 at 2:30 p.m., 195 Broadway, New York City.

Arkansas Power & Light Co.
June 20, 1960, it was announced that this subsidiary of Middle South Utilities, Inc. might issue $15,000,000 of first mortgage bonds in December. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); Blyth & Co. and Dean Witter & Co. (jointly); Lehman Brothers, Stone & Webster Securities Corp. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.

★ Automation For Industry, Inc.
Aug. 3, 1960 it was reported that a letter of notification is planned for later this year. **Proceeds**—For further development of the "Skyjector." **Office**—342 Madison Ave., New York City.

Bekins Van & Storage Co.
July 6 it was reported that this company is contemplating a common stock issue. **Office** — 1335 So. Figuroa Street, Los Angeles 15, Calif.

Bobbie Brooks, Inc.
July 25, 1960 the company stated in its annual report that about $200,000 is expected to be raised by long term financing, to be applied to the $385,000 cost of acquiring real estate adjacent to its Cleveland 14, Ohio, headquarters.

Bridgeport Gas Co.
July 26, 1960 it was reported that some new financing is expected later in the year. No further details are available. **Address**—P. O. Box 1540, Bridgeport 1, Conn.

Brooklyn Union Gas Co.
May 10 it was announced that the company plans no more financing this year, but there would be some in 1961, although the form it is to take has not as yet been determined.

★ Colorado Interstate Gas Co.
July 28, 1960 the company reported that debt financing of $70,000,000 is contemplated. Precise timing depends on final FPC approval. **Office**—Colorado Springs, Colo.

Columbia Gas System, Inc. (10/6)
June 13, 1960, it was reported that the company plans to sell $30,000,000 of debentures. **Proceeds** — For construction. **Office**—120 E. 41st St., New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co. and Carl M. Loeb, Rhoades & Co., all of New York City. **Bids**—Expected to be received on Oct. 6.

Columbus & Southern Ohio Electric Co.
June 13, 1960, it was reported that this utility plans the sale of about 200,000 shares of common stock to raise approximately $8-$9,000,000, with the timing set for the last quarter of this year, sometime after the November elections. **Proceeds**—For expansion purposes. **Office**—215 N. Front St., Columbus 15, Ohio.

● Consumers Power Co.
April 29 the company asked the Michigan Public Service Commission for permission to issue and sell securities with base value of $73,101,600. The company proposes to issue and sell first mortgage bonds in the amount of $35,000,000 maturing not earlier than 1990 for the best price obtainable but not less favorable to the company

than a 5¼% basis. The mortgage bonds are expected in the last quarter of the year, perhaps in October. The balance of the securities is being offered. See "Securities in Registration." **Proceeds**—To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Underwriter**—To be determined by competitive bidding. Probable bidders: For bonds—Halsey, Stuart & Co. Inc.; White, Weld & Co., and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman, Ripley & Co., Inc.

● Croft Carpet Mills, Inc.
July 27 it was reported that a letter of notification of 74,750 shares of the firm's 10c par common stock is expected to be filed imminently in the Atlanta, Ga., SEC office. **Price**—$4 per share. **Business**—Company manufactures and distributes tufted carpets. **Proceeds**—For inventory, debt reduction, and sales and advertising expenses. **Office**—205-11 Fourth St., Fort Oglethorpe, Ga. **Underwriter**—A. J. Frederick & Co., Inc., New York City.

Custom Craft Industries
July 13, 1960 it was reported that the company plans a regulation "A" filing sometime in mid-August. **Proceeds**—For general corporate purposes. **Office**—Miami, Fla. **Underwriter** — Plymouth Securities Corp., New York City.

Electronics International Capital Ltd.
July 26, 1960 it was reported that this company, which expects to incorporate in Bermuda, is planning its initial financing to occur later in the year. **Proceeds** — To acquire major equity positions in large and medium-size electronics companies outside the United States. **Underwriter**—Bear, Stearns & Co., New York City.

Florida Power & Light Co.
June 1 it was announced that the company anticipates further financing in the fall of 1960 approximating $25,000,000 of an as yet undetermined type of security, and estimates that in 1961 it will require approximately $50,000,000 of new money. This company on May 31 floated a 400,000 common share offering through Merrill Lynch, Pierce, Fenner & Smith Inc. and associates at a price of $59.125 per share.

Florida Power Corp. (10/20)
March 10 it was reported that $25,000,000 of first mortgage bonds will be sold by this utility. **Proceeds**—For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly). **Information Meeting**—Scheduled for Oct. 17 at 11:00 a.m. at Morgan Guaranty Trust Co. **Bids**—Expected to be received on Oct. 20.

● Food Plus Inc.
July 20, 1960, it was reported that this company is readying its first public offering. No confirmation was available from the company. **Office**—62 W. 45th Street, New York City. **Note** — The president of the company, Mr. Jack Bernard, has advised us that no offering is contemplated.

Ford Motor Credit Co.
March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

Georgia Power Co. (11/3)
Dec. 9 it was announced that the company plans registration of $12,000,000 of 30-year first mortgage bonds with the SEC. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Registration**—Scheduled for Sept. 26. **Bids**—Expected to be received on Nov. 3. **Information Meeting**—Scheduled for Oct. 31.

Hayes Aircraft Corp.
Feb. 12 it was reported that an issue of convertible debentures is being discussed. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

Houston Lighting & Power Co.
March 22 it was announced in the company's annual report that it anticipates approximately $35 million in new money will be required in 1960 to support the year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of $25,000,000 of 4⅞% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office** — Electric Building, Houston, Texas.

Idaho Power Co.
March 30 it was reported that the company plans to issue and sell $15,000,000 of 1st mortgage bonds due 1990 sometime in the fall. **Proceeds**—For capital expenditures, etc. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc., Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

Indianapolis Power & Light Co. (9/27)
April 18 it was reported that the company will issue and sell $12,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Goldman, Sachs & Co., and The First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly); Blyth & Co., Inc.; Equitable Securities Corp. **Bids**—Expected to be received up to 11 a.m. New York Time on Sept. 27. **Information Meeting**—Scheduled for Sept. 22 at 11:00 a.m., at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

International Mining Corp.
It was announced June 1, 1960 in the 1959 Annual Report of International Mining Corp. that the corporation intends to issue $10,830,000 of 7% secured serial notes in connection with its merger with Canton Co. of Baltimore, which will be the name of the surviving corporation. It is expected that the notes will be issued shortly at par, and will mature at the rates of $1,000,000 annually for one to three years, $500,000 annually for four to nine years, and $4,830,000 the 10th year after the merger. **Office**—535 Fifth Avenue, New York City. **Underwriter**—None.

Iowa Electric Light & Power Co.
March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the $10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

Iowa-Illinois Gas & Electric Co.
June 23, 1960, it was announced that the company's sale of $15,000,000 of first mortgage bonds in April of this year will carry it through the better part of 1960. The company plans some bank borrowing before the end of the year and expects to be in market again sometime in 1961, probably also for senior debt securities.

K.V.P. Sutherland Paper Co.
May 11 it was reported that a secondary offering of common stock is presently being discussed. **Proceeds**—To selling stockholders. **Underwriter** — Lehman Brothers, New York.

Laclede Gas Co.
May 10 it was announced that in addition to the $15,000,000 of new capital provided by the July bond-equity financing, $33,000,000 will come from later sale of securities other than common stock and from retained earnings.

Long Island Lighting Co.
June 13, 1960, it was reported that the company is discussing the sale of approximately $20-$30,000,000 of debt financing, probably to occur sometime this Fall. **Proceeds**—For construction. **Office** — 250 Old Country Road, Mineola, New York. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; W. C. Langley & Co.; Smith, Barney & Co. and First Boston Corp., all of New York City.

Louisville Gas & Electric Co. (10/18)
April 27 it was reported that this company plans the issuance and sale of $16,000,000 of first mortgage bonds. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly). **Bids**—Expected to be received on Oct. 18.

● Louisville & Nashville RR. (8/9)
July 18, 1960, it was reported that the Road plans to sell $7,530,000 of series X equipment trust certificates. **Proceeds**—To cover 80% of the cost of 900 gondola cars. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Aug. 9, up to noon EDT.

Merrimack Essex Electric Co.
July 19, 1960, it was reported that this subsidiary of the New England Electric System plans to sell $10,000,000 of preferred stock sometime in the late fall. **Office**—Salem, Mass. **Underwriter** — To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co. and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith and Eastman Dillon, Union Securities Co. (jointly); First Boston Corp.

Midland Enterprises Inc.
April 8 it was stated in the company's annual report that it contemplates the issuance on or before March 31, 1961 of a bond issue in an aggregate amount not to exceed $4,000,000. **Proceeds** — To finance river transportation equipment presently on order and expected to be ordered. **Office**—Cincinnati, Ohio.

★ Missouri-Kansas-Texas Railroad
Aug. 2, 1960 it was reported that the road has asked the ICC for permission to sell $15,000,000 of collateral trust bonds without competitive bidding. **Office**—Railway Exchange Bldg., St. Louis 1, Mo.

Mohawk Insurance Co.
March 16, 1960, it was announced that the company expects to register its first public offering imminently. The offering will consist of 75,000 common shares. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 39 Broadway, New York City.

Nedick's Stores, Inc.
Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

New York Telephone Co. (9/28)
June 22, 1960, the board of directors of this company authorized the issuance of an additional series of mortgage bonds in the amount of $60,000,000 and common stock in the amount of $120,000,000, subject to the approval of the New York Public Service Commission. **Proceeds**—To retire short-term bank borrowings used to finance construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.. **Bids**—Expected to be received on or about Wednesday, Sept. 28. **Note** — The stock will be sold to the American Telephone & Telegraph Co. on or about Oct. 1, under preemptive rights.

★ Northern Natural Gas Co.
It was reported on Aug. 2, 1960 that the utility is contemplating issuing $30,000,000 of debentures in the Fall. **Office**—Omaha, Neb.

● Northern Pacific Ry. (8/24)
July 11, 1960, it was reported that the Road plans to offer $6,270,000 of railroad equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc. and Salomon Bros. & Hutzler. **Bids**—Expected to be received on Aug. 24 up to noon EDT.

Northern States Power Co. (Minn.) (12/6)
May 11 it was reported that the company plans the issuance and sale of $35,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and White, Weld & Co. (jointly); The First Boston Corp. and Blyth & Co., Inc. (jointly); Lehman Brothers and Riter & Co. (jointly); Equitable Securities Corp. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received by Dec. 6.

Orange & Rockland Utilities, Inc.
April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of $6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par $100) will be financed from the proceeds of sale in 1961, subject to market conditions, of $10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

★ Otter Tail Power Co.
July 27, 1960, Albert V. Hartl, executive Vice-President of this utility told this newspaper that an issue of $6,000,000 of first mortgage bonds is contemplated, although "plans for implementation of this project during 1960 are as yet indefinite, and there is a distinct possibility that it might be postponed to 1961." **Office**—Fergus Falls, Minn.

Pacific Lighting Corp.
May 11 it was announced that this company, in order to finance additional pipeline distribution systems, plans to sell $30,000,000 of first mortgage bonds and $20,000,000 of preferred stock later this year.

Panhandle Eastern Pipe Line Co.
April 19 it was reported that this company might sell about $65,000,000 of debentures, possibly in the third quarter of this year. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co., both of New York.

Philadelphia Aquarium Co.
June 15, 1960, it was reported that the company plans to sell about $2,000,000 of debentures and common stock to finance an aquarium in Fairmont Park, Philadelphia, which would be city-owned and company-operated under a lease. **Underwriter**—Stroud & Co., Inc. of Philadelphia, Pa. and New York.

★ Polymer Corp.
Aug. 2, 1960 it was reported that the company plans to file $3,500,000 of convertible debentures shortly. **Office**—Reading, Pa. **Underwriters** — White, Weld & Co. of New York City and A. G. Edwards & Sons of St. Louis, Mo. (jointly).

Potomac Electric Power Co.
March 21 it was stated in the company's annual report it is anticipated that their 1960 construction program will amount to $39 million and there will be further financing of about $15 million of an as yet undetermined type. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Dillon, Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Eastman Dillon & Union Securities & Co. and Stone & Webster Securities Corp. (jointly).

Public Service Co. of Colorado
July 22, 1960 the company reported that there is "a reasonable possibility" that additional common stock may be sold later this year or early in 1961. **Office**—Denver, Colo.

Public Service Co. of New Hampshire
April 4 it was stated in the company's annual report that short-term borrowings will increase progressively during 1960 until further permanent financing is undertaken later in the year. The timing, type, and amount of this financing has not been determined.

Public Service Electric & Gas Co. (9/20)
May 18 directors of this company took preliminary steps for the sale of $50,000,000 in first and refunding mortgage bonds, dated Sept. 1, 1960, to mature Sept. 1, 1990. **Proceeds** — To pay all or part of company's short-term indebtedness incurred for construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Kuhn, Loeb & Co., and Lehman Brothers (jointly). **Bids**—Expected to be received on Sept. 20 up to 11 a.m., in Newark, N. J. **Information Meeting**—Scheduled for Sept. 19

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at 2:30 p.m. at the Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

Public Service Electric & Gas Co.
July 26, 1960 it was reported that in addition to the $50,000,000 to be obtained from the Sept. 20 bond offering, $95,000,000 more will be needed to complete the 1960 construction program. Further financing is expected later in the year, with the type and timing as yet undetermined.

Ritter Co., Inc.
July 6 it was reported that this company plans to consolidate some $2,500,000 of funded debt, possibly through a private placement, pursuant to which a bond issue may be expected. **Underwriter**—Lehman Brothers, New York City.

● Rochester Gas & Electric Corp.
March 1 it was stated in the company's annual report that the company has filed an application with the New York State Public Service Commission for the right to issue $10,000,000 of new preferred stock. Aug. 1, 1960 it was reported that $15,000,000 of debt financing is expected in the spring of 1961, perhaps in March. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., White Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

San Diego Gas & Electric Co. (10/4)
April 8 it was reported that $25,000,000 of bonds is expected to be sold. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp., Eastman Dillon, Union Securities & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly). **Bids**—Expected to be received on Oct. 4.

Scantlin Electronics, Inc.
June 13, 1960, it was reported that the filing of about $2,000,000 of common stock is being discussed, and may occur sometime soon. The company is currently market-testing a new electronic table-top stock quotation board. **Office**—Los Angeles, Calif. **Underwriters**—Carl M. Loeb, Rhoades & Co. and Paine, Webber, Jackson & Curtis (jointly).

(Jos.) Schlitz & Co.
March 11 it was reported that a secondary offering might be made this summer. **Underwriters** — Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Southern Natural Gas Co.
April 4 it was stated in the company's annual report that the company expects to provide for the payment of certain outstanding notes through the issuance of first mortgage bonds and other debt securities. The timing of the issue or issues was not stated in the report. **Office**—Birmingham, Ala.

★ Southern Nevada Power Co. (10/4)
Aug 2, 1960 it was reported that the company is planning imminent registration of $5,000,000 of bonds and $2,000,000 of $20 par preferred stock (100,000 shares). **Underwriter** — White, Weld & Co. of New York City (managing).

Tennessee Valley Authority
Jan. 20 announced that, pursuant to August, 1959, authorization from Congress to have $750,000,000 of revenue bonds outstanding at any one time, it plans its first public offering, expected to be about $50,000,000, for sometime in the Fall. May 13 it was announced that about $50,000,000 of additional revenue bonds will be offered in the Spring of 1961. The type of bond issued will depend on market conditions. **Proceeds**—To finance construction of new generating capacity. Power Financing Officer: G. O. Wessenauer. Financial Advisor: Lehman Brothers. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., First National City Bank of New York, Equitable Securities Corp. and Smith, Barney & Co. (jointly); First Boston Corp., Lazard Freres & Co., Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler (jointly); Chase Manhattan Bank and Morgan Guaranty Trust Co. of N. Y. (jointly); and Blyth & Co. and J. C. Bradford & Co. (jointly).

Trans World Airlines, Inc.
April 8 it was announced that the company plans to offer to its stockholders $100,000,000 of subordinated income debentures with detachable common stock purchase warrants, and Hughes Tool Co. (parent) will purchase not only its pro-rata portion ($78,000,000) but also enough of any debentures not taken up by others to provide TWA with at least $100,000,000. **Proceeds** — Together with $190,000,000 proposed private placement which is presently being worked on by this company's bankers, will be used for expansion of the company's jet fleet. **Underwriters**—Dillon, Read & Co., Inc., Lazard Freres & Co., and Lehman Brothers, all of New York.

Union Electric Co. (10/19)
March 16, 1960, it was announced by Dudley Sanford, Executive Vice-President, that the company plans an offering of approximately $50,000,000 of 30-year first mortgage bonds. **Proceeds**—To meet construction expenses. **Office**—315 No. 12th Blvd., St. Louis, Mo. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp. and White, Weld & Co. (jointly); Lehman Brothers, Blyth & Co. (handling the books), Eastman Dillon, Union Securities & Co. and Bear, Stearns & Co. (jointly). **Bids**—Expected to be received on Oct. 19 up to 11 a.m. EDT. **Information Meeting**—Oct. 17 at 3:00 p.m. at the Bankers Trust Co.

Virginia Electric & Power Co. (9/13)
Feb. 5 it was reported that approximately $25,000,000 first mortgage bonds will be offered for sale. **Underwriters** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received on Sept. 13. **Information Meeting**—Scheduled for Sept. 8 at 11:00 a.m. N. Y. time, at The Chase Manhattan Bank, 43 Exchange Place, New York City, Room 238.

Waldbaum, Inc.
May 11 it was reported that public financing is being contemplated by this supermarket chain. No confirmation was obtainable. **Office**—2300 Linden Blvd., Brooklyn, New York.

West Ohio Gas Co.
June 24, 1960, it was announced that the company anticipates, that in order to carry out its 1960 construction program it will consummate long-term financing during the year to provide additional funds in the approximate sum of $400,000.

Whippany Paper Board Co.
July 19, 1960, it was reported that this New Jersey company plans to register an issue of common stock in September. **Underwriter**—Van Alstyne, Noel & Co., New York City.

Winter Park Telephone Co.
May 10 it was announced that this company, during the first quarter of 1961, will issue and sell approximately 30,000 additional shares of its common stock. This stock will be offered on a rights basis to existing stockholders and may or may not be underwritten by one or more securities brokers. Future plans also include the sale of $2,000,000 of bonds in the second quarter of 1961. **Office**—132 East New England Ave., Winter Park, Fla.

★ Wisconsin Electric Power Co.
Aug. 2, 1960 it was reported that the company plans to sell $30,000,000 of first mortgage bonds sometime later in the year. **Office**—Milwaukee, Wis. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith and Equitable Securities Corp. (jointly); Glore, Forgan & Co., Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co., Inc. (jointly); The First Boston Corp., Lehman Brothers and Salomon Brothers & Hutzler (jointly); Blyth & Co.

Zurn Industries, Inc.
July 19, 1960, it was reported that 250,000 shares is expected to be filed shortly for the accounts of the company and selling stockholders. **Business**—The manufacture of mechanical power transmission equipment, fluid control devices, and building plumbing drainage products. **Proceeds**—For general corporate purposes. **Office**—Erie, Pa. **Underwriter**—Lee Higginson Corp. of New York City.

Foreign Dollar Bondholders Fared Better in 1959 Than in 1958

New York University analysis of how American ownership of foreign bonds fared last year shows improvement in proportion of bonds serviced in full. They increased from 88.73% in 1958 to 89.73% last year. In addition, the study under the research directorship of Dr. Marcus Nadler reveals a similar improvement in the decline of interest-payment defaults, provides a regional and country-by-country break down, and discusses new foreign issues floated in the past year.

In 1959 debt service was paid in full on $4,948,302,456, or on 89.73%, of the total $5,514,726,133 of publicly offered foreign dollar bonds outstanding on Dec. 31, 1959, according to a bulletin entitled "Statistical Analysis of Publicly Offered Foreign Dollar Bonds," issued recently by Dean Joseph H. Taggart, director, and Dr. Marcus Nadler, research director, of the C. J. Devine Institute of Finance of New York University.

The increase in proportion of bonds serviced in full from 88.73% in 1958, the NYU study states, was due to the growing number of bonds assented to the various debt-service resumption plans, which in many instances involve funding of interest arrears and issuing adjustment bonds, and to the flotation of $458,482,000 principal amount of new issues. Of these, issues of Canadian provinces and municipalities accounted for $274,982,000; France $50,000,000; Italy $30,000,000; Japan $30,000,000; Australia $25,000,000; Denmark $20,000,000; The Netherlands $18,500,000; and Jamaica $10,000,000. The new issues and the funding bonds issued in settlement of interest arrears have more than offset the reduction in the total principal amount of outstanding bonds caused by amortization, calls, and maturities.

Data on the status of all publicly offered foreign dollar bonds as of Dec. 31, 1958 and 1959, are summarized in Table I.

On Dec. 31, 1959, European and Latin-American obligors accounted for 98.8% of defaulted bonds. Of the total Latin-American bonds in default, Bolivia accounted for 55.38%, while German issues represented 42.65% of the total European defaulted bonds. Latin America accounted for 7.6% of total defaulted bonds, as compared with 8.9% on Dec. 31, 1958. Europe's percentage increased from 89.8% at the end of 1958 to 91.2% on Dec. 31, 1959. The Far East accounted at the end of 1959 for 1.2% of total defaulted bonds.

Regional Breakdown

The geographical distinction of foreign dollar bonds in default in regard to interest on Dec. 31, 1959, is shown in Table II.

At the end of 1959, 7.6% of the Latin-American bonds, 43.6% of the European, and 2.1% of the Far Eastern bonds outstanding were in default. For 1958, the percentages were 8.8 for Latin America, 52.1 for Europe, and 2.7 for the Far East. Canadian defaulted bonds amounted to only $16,000 of total outstanding bonds in the amount of $2,178,803,918.

In analyzing interest payments, the Institute's study states:

The actual rate of interest return in 1959, based upon the amount of cash interest received from 1959 coupons on the nominal amount of publicly offered foreign dollar bonds outstanding at the end of the year, was 3.52% as compared with the average contractual rate of 4.17%. In 1958 the amount of cash interest received constituted 3.38% as against the contractual rate of 4.10%. The increase in the actual amount of interest paid, as compared with the corresponding figure for 1958, is due to the increase in the total principal amount of new fully serviced issues, to higher interest rates on new issues, and to the rise in the percentage of bonds assented to the various debt-service resumption plans.

Actual vs. Contractual Rate of Return

For 1959, an actual rate of return of 2.24% was received on Latin-American bonds as compared to a contractual rate of 2.76%. In 1959, Europe paid at the rate of 2.48% instead of 5.43% contractual rate; in the preceding year, Europe paid 2.09% instead of 5.42%. The issues of North America, Africa, and of international institutions paid in both years the full contractual rate of interest. The return of the Far Eastern issues was 4.67% against a contractual rate of 4.69%. The amount received in cash in respect to 1959 coupons was 84.39% of the contractual amount due, as against 82.38% in 1958.

The contractual amount of interest due and the amount received for 1959 coupons on bonds outstanding on Dec. 31, 1959, are shown in Table III.

Under the heading "Recent Developments," the NYU study discusses new foreign issues floated during the past 12 months and new settlement offers of defaulted bonds, including the April 6, 1960 offer of the government of Yugoslavia.

Table I
Status of Publicly Offered Foreign Dollar Bonds

	Dec. 31, 1958 (000,000)	Dec. 31, 1958 Per Cent	Dec. 31, 1959 (000,000)	Dec. 31, 1959 Per Cent
Debt Service Paid in Full	$4,631.8	88.73	$4,948.3	89.73
In Default in Regard to Int.	587.3	11.25	565.3	10.25
In Default in Regard to Sinking Fund or Principal	1.1	0.02	1.1	0.02
Total	$5,220.2	100.00	$5,514.7	100.00

Table II
Geographical Distribution of Bonds in Default in Regard to Interest on December 31, 1959

	Amount Outstanding (000,000)	Amount in Default (000,000)	Per Cent of Total Defaulted Bonds
Latin America	$ 566.9	$43.0	7.6
Europe	1,118.2	515.8	91.2
Far East	317.3	6.6	1.2
North America	2,191.3	*	—
Africa	74.7	—	—
International Institutions	1,246.3	—	—
Total	$5,514.7	$565.4	100.0

*16,000

Table III
Contractual Amount of Interest Due and Amount Received in Cash for Coupons of Bonds Outstanding on Dec. 31, 1959

	Nominal Amount Outstanding (000)	Contractual Amount of Int. due (000)	Per Cent Average Contractual Rate of Interest due	Actual Amount Received in Cash (000)	Per Cent of Average Rate of Return
Latin Amer.	$ 566,899	$ 15,670	2.76	$ 12,720	2.24
Europe	1,118,236	60,666	5.43	27,761	2.48
Far East	317,252	14,879	4.69	14,810	4.67
North Amer.	2,191,304	86,932	3.97	86,932	3.97
Africa	74,688	3,823	5.12	3,823	5.12
Internat. Institu.	1,246,347	48,218	3.87	48,218	3.87
Total	$5,514,726	$230,188	4.17	$194,264	3.52

Butler, Herrick Office

BABYLON, N. Y.—Butler, Herrick & Marshall has opened a branch office at 865 West Montauk Highway under the management of E. Kenneth Donovan and Edward Baker.

Businessman's BOOKSHELF

Cambridge Books, Autumn 1960—Publications to be issued this fall—Cambridge University Press, 32 East 57th Street, New York 22, N. Y.

Decade of Incentive—Report on international gains (printed in five languages)—Corporate Information Office, McCann-Erickson, Inc., 485 Lexington Avenue, New York 17, N. Y. (paper), on request.

Economic Background to Investment—H. B. Rose—Cambridge University Press, 32 West 57th St., New York 22, N. Y. (cloth), $7.50.

Equipment Handbook—General Industrial Co., 1794A Montrose Avenue, Chicago 13, Ill. (on request).

Europe Today: A Report on the European Economic Community—The First National City Bank of New York, New York 15, N. Y. (paper).

Foreign Policy Developments 1959—Highlights—Department of State—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 20 cents.

Foreign Time Deposits—A Study of Regulation Q as it applies to Foreign Time Deposits—New York Clearing House Assoc., New York, N. Y. (paper).

Guide to Area Employment Statistics—U. S. Department of Labor, Bureau of Labor Statistics, 341 Ninth Avenue, New York 1, N. Y. (single copies on request).

High-Level Manpower in Overseas Subsidiaries: Experience in Brazil and Mexico—John C. Shearer—Industrial Relations Section, Princeton University, P. O. Box 248, Princeton, N. J. (paper), $3.00.

Hospital Use and Charges By Diagnostic Category: A Report on the Indiana Study of a Blue Cross Population in 1956—Monroe Lerner—Health Information Foundation, 420 Lexington Ave., New York 17, N. Y. (on request).

Industrial Production: 1959 Revision—Board of Governors of the Federal Reserve System, Washington 25, D. C. (paper), $1.00 (quantity prices on request).

Labor and the Public—Maxwell S. Stewart—Public Affairs Pamphlets, 22 East 38th Street, New York 16, N. Y. (paper), 25¢.

Life Insurance Fact Book, 1960—Institute of Life Insurance, 488 Madison Ave., New York 22, N. Y. (paper).

Monthly Review of Federal Reserve Bank of Kansas City—July issue containing articles on Growth and Earnings at Individual Commercial Banks, and Is the Farm Real-Estate Boom Ebbing—Federal Reserve Bank of Kansas City, Research Department, Kansas City 6, Mo. (paper), on request.

1959 Loss and Expense Ratios—New York State Insurance Dept., 123 William Street, New York 38, N. Y., $1.00.

Office Management, 1960 Bibliography—National Office Management Association, Field Service Division, Willow Grove, Pa., $5.00.

Oversea Investment in Australia—Manufacturing Industries Advisory Council, Department of Trade, 52 William Street, Sydney, N. S. W. (paper).

Paraplegia: A Head, and Two Big Wheels—Jules Saltman—Public Affairs Pamphlets, 22 East 38th St., New York 16, N. Y. (paper), 25 cents.

President Eisenhower's Report to the Nation (May 25, 1960) **and Secretary Herter's Report to the Senate Foreign Relations Committee** (May 27, 1960)—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), 15 cents.

Prepayment for Hospital Care in New York State: Findings of two-year Study of Eight Blue Cross Plans Serving New York State Residents—New York State Insurance Department, 123 William St., New York 38, N. Y.

Rationale of Federal Transportation Policy—Ernest W. Williams, Jr. and David W. Bluestone—Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper). 30¢.

Reactor Supply Industry—Richard A. Tybout—Bureau of Business Research, College of Commerce and Administration, The Ohio State University, Columbus, Ohio (paper).

Restricted Stock Options for Management—Charles F. Poston—School of Business Administration, University of North Carolina, Chapel Hill, N. C. (paper), $1.50 (quantity prices on request).

Story of Seato—South-East Asia Treaty Organization, P. O. Box No. 517, Bangkok, Thailand—(paper).

Taft-Hartley Act as amended in 1959. A Management Guide—Waldo E. Fisher, Industrial Relations Section, California Institute of Technology, Pasadena, Calif., $1.00.

Taxation and Operations Abroad—A Symposium—Tax Institute Incorporated, Princeton, N. J. (cloth), $6.00.

United States Investment in Australian Manufacturing Industry—Department of Trade, Commonwealth of Australia, Melbourne, Australia (paper).

University and the World Community—Reprints of an address by Christian A. Herter, Secretary of State, at the University of Pittsburgh—Office of Public Services, Bureau of Public Affairs, Department of State, Washington 25, D. C. (paper).

U. S. Nuclear Power Projects—Fact sheets prepared by Electric Companies Public Information Program, 2 West 45th Street, New York 36, N. Y. (paper), $2.50 for 10 copies.

Urban Planning Assistance Program—Housing and Home Finance Agency, Washington 25, D. C. (paper), 5¢ per copy.

Withdrawal of Land from Crop Production—A Statement by the Agriculture Committee of the National Planning Association—National Planning Association, 1606 New Hampshire Avenue, N. W., Washington 9, D. C. (paper), 15¢.

Your Business—1960 revised edition of guide on starting a new business—New York State Dept. of Commerce, 112 State Street, Albany, N. Y. (on request).

Joins Schmidt, Sharp

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Arnold Deitsch is now with Schmidt, Sharp & Co., Inc., 818 Seventeenth Street. He was formerly with Purvis & Company.

Dempsey-Tegeler Adds

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo.—David C. Combs is now affiliated with Dempsey-Tegeler & Co., 17 East 10th Street.

Two With Gunn, Carey

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio.—Leonard A. Rapaport and Thomas E. Tidd have become connected with Gunn, Carey & Roulston, Inc., Union Commerce Building, members of the Midwest Stock Exchange.

With Foster & Marshall

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—Stephen R. Walker has been added to the staff of Foster & Marshall, Southwest Sixth Avenue at Oak Street.

With Godfrey, Hamilton

(Special to THE FINANCIAL CHRONICLE)

LEXINGTON, Mass.—Gordon G. Coogan is now with Godfrey, Hamilton, Magnus & Co., Inc., 27 Depot Square. He was formerly with Reynolds & Co. and H. C. Wainwright & Co.

Now With Hornblower

(Special to THE FINANCIAL CHRONICLE)

BOSTON, Mass.—Stuart W. Zimman is now with Hornblower & Weeks, 75 Federal Street.

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C. — Both Presidential candidates and their running team-mates are off and running. Before Tuesday, Nov. 8, when 8,000,000 voters go to the Presidential election polls for the first time in their lives, there will be millions of dollars spent by individuals, organizations and by the candidates themselves.

Both the Democrats and the Republicans have come up with formidable tickets, although the nomination of neither John F. Kennedy nor Richard M. Nixon by their parties presented a surprise. The only element of surprise as far as candidates was concerned was the fact that Lyndon B. Johnson of Texas wanted and got the Vice Presidential nomination on the Democratic ticket.

Many professional politicians and longtime observers of the Washington scene had maintained in effect that there was not one chance in a thousand that Senator Johnson would take the second spot on the ticket. They had maintained that the post of Senate Majority Leader was just as important in a way as Vice President. Mr. Johnson himself was just as vehement that he would not take the No. 2 position.

The politicians in the Nation's Capital and the newsmen in the Nation's Capital sometimes get a one-sided view from Capitol Hill. There are 100 United States Senators, and Johnson is one of the 100. There is only one Vice President. Your next door neighbor until recently probably did not know who the Senate Majority Leader was and did not particularly care.

The name of Vice President Nixon has been a household word for a long time. The Vice Presidency of the United States during the past several years has taken on its rightful meaning—the second most important elective position in the United States.

Two Good Running Mates

Vice President Nixon in choosing Henry Cabot Lodge as his running mate chose a man that could occupy the White House with dignity and leadership if something should happen to Mr. Nixon, assuming of course that the Nixon-Lodge ticket should win.

Senator Kennedy, in tapping Mr. Johnson as his running mate, also chose a man that has proven his leadership qualities in the Senate. Of course, in the Senate he has had for the most part a lot of Democrats to work with, but not all of them have always seen eye-to-eye with their leader.

The ages of the four candidates are young compared with some Presidential tickets in the past. Kennedy is 43; Nixon 47; Johnson 51; and Lodge 58.

There seems to be no doubt that the upcoming campaign is going to be one of the most stirring in many a decade. And as was said here recently, no one as of now knows for sure who is going to win in November. On the other hand, if Dwight D. Eisenhower could have been the Republican standard bearer for a third term, there would be little or no doubt who would win the next Presidential election.

The chief executive, in making what was probably his last visit to Chicago as President of the United States, was cheered wildly by delegates from practically every state, and by the rank and file of citizens of the Mid-Western metropolis.

Neither Platform Flattering

Neither a majority of the Democrats nor the Republicans can rightfully point with pride to their respective platforms. Both would continue and expand Federal handouts and spending.

However, of the two platforms the one issued by the Republicans is more respectable. It was not too many years ago that many Republicans would have blushed with shame at some parts of the current platform—the one the party is supposed to stand on for the next four years.

Fortunately, for the American people, the high-sounding platforms are exaggerated statements of principles and for a substantial part are used to run on, despite statements by some politicians to the contrary.

The most controversial plank in the Republican platform, as was the case, at the Democratic convention in Los Angeles, was that dealing with civil rights. The GOP planks are by no means weak, but they are not nearly as strong as the Democratic planks.

Therefore the question arises: Will the Negroes of the Northern cities vote for the Kennedy-Johnson Democratic ticket? Negro citizens in more than 50 Congressional districts can determine by their vote how the election will go. For this reason the politicians naturally woo their votes to the best of their means and ability.

Negro Delegates Few in Number

The question of the Negro-citizen brings to light another observation that was overlooked at the Republican convention that nominated Nixon and Lodge.

Not too many years ago a substantial portion of the Republican delegates from the Southern States were members of the Negro race. In 1960, 100 years after Abraham Lincoln was nominated at Chicago, there were only a handful of Negro delegates and alternates from the Southern states. Most of the Southern state delegates went to Chicago without a single Negro delegate.

States like Texas and Florida and Alabama and Mississippi, among others, did not have a single Negro delegate. This was unheard of not too many years ago.

Although there are no immediate figures available, there probably were more Negro delegates at the Democratic Convention in Los Angeles than at the Republican Convention in Chicago. President Franklin D. Roosevelt in the 1930s and early 1940s wooed most of the Negro voters to change their political allegiance from Republican to Democrat. Until then, most of them had been faithful to the party of Abraham Lincoln who had helped to free the slaves.

GOP the Minority Party

The Republican Party would like to get a majority of them to switch back to the GOP, because they need their votes. The Republican Party is definitely the minority party in this country today. Indicative of this is the one-sided majorities in the House and Senate today. And there are more Democratic governors than there are Republicans.

For this reason alone there is little wonder that Vice President Nixon says the Republican ticket is starting behind in the big Presidential sweepstakes election. Therefore, unless Mr. Nixon and Mr. Lodge can persuade a few million Democrats to rally to their cause they are sunk.

This is one time that the Republicans can not start out overconfident. They have a well trained, hard-hitting, able candidate, but they do not have a national hero to head the ticket like they did in 1952 and 1956.

Gruelling Campaign Indicated

There is good news in announcements from both Kennedy and Nixon that they plan to have organizations in all 50 states, and plan to personally make one or more addresses in each of the states. This is unheard of before. There are perhaps a handful of states that do not recall when they ever had a Presidential candidate campaign in their state.

This is all good for the country, because it means that the one-party preference in Presidential elections has either vanished, or seems to be on the way out. No part of the country can be taken for granted any longer.

The Northeastern States used to be rock-ribbed, dyed-in-the-wool Republican states. Maine and Vermont have continued going Republican in Presidential elections, but Maine, for instance, has a Democratic governor, and a women Democrat candidate is making the state a battleground in the current Senatorial race as Senator Margaret Chase Smith is seeking reelection.

The Middle-Western States—the great farmland states—traditionally have been Republican, but they do not always go Republican. The South was once called the Solid South. The South may stay Democratic next November 8, but nearly every state down in Dixie apparently will become a battleground. Five states went Republican four years ago.

What have been the reasons for this evolution in American politics? The **Washington Star** points out that the two parties themselves have drawn closer together in their basic interests and objectives even though they differ on methods and approach. The **Star** added: "There is no clear liberal versus conservative line between the two parties, no one-party monopoly on interest in industry, labor or agriculture . . . The candidates themselves take on greater importance than party traditions or even platforms."

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

"Just a suggestion—I wouldn't ask him how things were down at the Stock Exchange today."

COMING EVENTS

IN INVESTMENT FIELD

Aug. 12, 1960 (Detroit, Mich.)
Basis Club annual summer outing at the St. Clair Inn and Country Club, St. Clair, Mich.

Aug. 18-19, 1960 (Denver, Colo.)
Bond Club of Denver annual "Summer Frolic" at the Columbine Country Club.

Sept. 9-11, 1960 (Portland, Oreg.)
Pacific Northwest Group of Investment Bankers Association annual meeting at the Sheraton-Portland.

Sept. 11-14, 1960 (Sun Valley, Idaho)
National Security Traders Association Annual Convention.

Sept. 12-13, 1960
Association of Stock Exchange Firms meeting of the Board of Governors at the Statler-Hilton Hotel, Hartford, Conn.

Sept. 12-13, 1960 (Denver, Colo.)
Rocky Mountain Group of Investment Bankers Association meeting.

Sept. 14, 1960 (New York City)
Association of Customers' Brokers annual dinner and business meeting at the Starlight Roof, Waldorf-Astoria.

Sept. 15-16, 1960 (Cincinnati, Ohio)
Municipal Bond Dealers Group of Cincinnati annual outing—cocktails and dinner Sept. 15 at Queen City Club; field day Sept. 16 at Kenwood Country Club.

Sept. 21-23, 1960 (Santa Barbara, Calif.)
Board of Governors of Investment Bankers Association fall meeting.

Sept. 23, 1960 (Philadelphia, Pa.)
The Bond Club of Philadelphia 35th Annual Field Day at the Huntington Valley Country Club, Abington, Pa.

Oct. 5, 1960 (New York City)
New York group of Investment Bankers Association of America annual dinner at the Waldorf-Astoria.

Oct. 10-13, 1960 (Pasadena, Calif.)
National Association of Bank Women 38th annual convention at the Huntington-Sheraton Hotel.

Oct. 11, 1960 (Detroit, Mich.)
Michigan Group of Investment Bankers Association meeting.

Oct. 12, 1960 (Cleveland, Ohio)
Northern Ohio Group of Investment Bankers Association meeting.

Oct. 13, 1960 (Cincinnati, Ohio)
Ohio Valley Group of Investment Bankers Association meeting.

October 15, 1960 (New York City)
Security Traders Association of New York annual Fall Dinner Dance in the Grand Ballroom of the Biltmore Hotel.